

CANADA

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HOUSE OF COMMONS

Friday, November 1, 1968

The house met at 11 a.m.

HOUSE OF COMMONS

MR. DIEFENBAKER—FAILURE TO VOTE ON FARM CREDIT ACT AMENDMENTS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, lest there be any misunderstanding regarding my absence during the votes yesterday on the Farm Credit Act amendments I should like to point out that in my private office the bell does not sound. Hence I was unable to be present, not knowing the votes were being taken.

PRIVILEGE

MR. SPEAKER—RULING ON QUESTION RAISED BY MEMBER FOR GREENWOOD

Mr. Speaker: Yesterday, after due notice to the Chair, the hon. member for Greenwood (Mr. Brewin) rose on a question of privilege alleging that the minister for external affairs was directly or indirectly disputing the accuracy of a statement made by the hon. member reporting on a statement made outside the House of Commons.

After hearing the hon. member and the minister, the Chair reminded hon. members of the well established rule that hon. members are bound to accept the word of another member. May I refer on this point to citation 145 of Beauchesne's fourth edition, which reads as follows:

• (11:10 a.m.)

It has been formally ruled by Speakers in the Canadian commons that a statement by an honourable member respecting himself and peculiarly within his own knowledge must be accepted, but it is not unparliamentary to temperately criticize statements made by a member as being contrary to the facts; but no imputation of intentional falsehood is permissible. A statement made by a member in his place, is considered as made upon honour and cannot be questioned in the house or out of it.

The Chair would like also to refer hon. members to citation 105, subsection 3, which reads as follows:

A dispute arising between two honourable members as to allegations of facts hardly fulfills the conditions of a privilege question—

Then I should like to refer to citation 113, which reads in part:

But a dispute arising between two members, as to allegations of facts, does not fulfill the conditions of parliamentary privilege.

The motion proposed by the hon. member based on his question of privilege is that this matter should be referred to the standing committee on external affairs and national defence. It seems to me that all aspects of the Nigeria and Biafra situation have been referred specifically by the House of Commons to this committee. If the hon. member considers that the discussion should be pursued further, this could be done in committee without the special reference proposed by the hon. member's motion.

EXTERNAL AFFAIRS

VIET NAM—CANADIAN PARTICIPATION IN PEACE KEEPING EFFORTS

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Prime Minister arising out of reports that the Department of External Affairs or the Department of National Defence has a contingency plan to facilitate Canada's participation in Viet Nam peace keeping efforts. Would the Prime Minister indicate in general terms what this plan involves, and especially what is contemplated in terms of Canadian forces personnel? What contribution does the Prime Minister think would be made by Canada?

Right Hon. P.-E. Trudeau (Prime Minister): I am not in a position to answer that question now. The plans are too vague to make any definitive statement. We take the position that if we are requested to participate in any peace keeping activities we will have to ascertain in advance, before answering, what they entail and under what conditions we would participate in such activities.

Mr. Stanfield: May I ask a supplementary question. This proposal that has been made by the Secretary of State for External Affairs is conditional and limited by something which may seem to be appropriate to the government of Canada under the circumstances?

Inquiries of the Ministry

Mr. Trudeau: Well, this position is being taken only in very general terms and indicates that we did, in the past, pursue certain peace keeping or surveillance roles in the Vietnamese conflict. We do not reject the idea in advance. We would be prepared to contribute anything that would be possible and desirable.

Mr. Stanfield: Would it be accurate to say the policy of the government of Canada would be to consider a possible role for Canada in peace keeping operations?

Mr. Trudeau: Yes, that would be a good expression of our position.

Mr. Stanfield: I have just one further question, Mr. Speaker. Have there been consultations between the United States or the Secretary General of the United Nations and the government of Canada with regard to such a possible role for Canada?

Mr. Trudeau: Certainly none of which I am aware. If any have taken place they must be only in very general terms, because we have not discussed this as a matter of policy yet. We have just taken the general line I indicated, that we would consider any such request.

[*Later:*]

Right Hon. J. G. Diefenbaker (Prince Albert): In connection with the momentous decision made last night by the President of the United States to discontinue the bombing of North Viet Nam, I should like to ask the Prime Minister whether there was any prior consultation with Canada before the announcement was made. Second, I should like to ask whether there was consultation with Australia, New Zealand and the United States concerning what action Canada might take in connection with providing not only an inspection corps in Viet Nam but also forces to preserve the peace in the event that agreement is arrived at in Paris.

Mr. Trudeau: In answer to the first part of the question, there was no consultation. This is a decision which the United States government has made without our overt help. In respect of the second part of the question I can only repeat what I said previously. We have not been the subject of any specific request yet. Until such a request is made I do not know what position we will take.

Mr. Diefenbaker: I note that the Prime Minister accentuated the words "specific request". Has there been any general request that Canadians should be made available as a force to maintain the peace?

Mr. Trudeau: No, Mr. Speaker. There has been none that I know of, but like the readers of the press we surmise that something might develop on this front. We have been considering what we would do if such a request were made. But as I say there has been no specific request or no general assertion by any one country that they would want to see us in there. There has been nothing that has come to us in the form of a request.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is addressed to the hon. Prime Minister. Would Canada consider making a contribution to peace in Viet Nam by ending Canadian complicity in this war?

NATIONAL SECURITY

INQUIRY AS TO REPORT OF ROYAL COMMISSION

On the orders of the day:

Mr. David Lewis (York South): I should like to ask a question of the Prime Minister arising out of the information he gave the house some time ago that he expected to meet with members of the royal commission on security. I think he said this would happen yesterday. Did the right hon. gentleman meet with them, and did he receive their report yesterday?

Right Hon. P.-E. Trudeau (Prime Minister): Yes, I did meet with the members of the commission, I think it was Wednesday. I thanked the commissioners very much for the work they had done, very important work for the future of democracy in this country.

Hon. members will understand that the report is a classified document and contains information the publication of which would be detrimental to the security of Canada. For that reason, Mr. Speaker, only after careful study of the report will we decide what sections of it can be published. Until that time it would not be our intention to comment in any way on the report itself.

Mr. Lewis: A supplementary question, Mr. Speaker. Do I understand, then, that the report has been received; and do I understand from the Prime Minister that, subject to those parts of the report which in the government's opinion it would be detrimental to publish, the government will consider publishing the parts which should be brought to the attention of parliament?

Mr. Trudeau: Yes, Mr. Speaker, that is a correct interpretation of our intention. It was received only on Wednesday evening, and I sent it to the Governor General the next day. It is too soon to take a final position on the matter, but I can tell the house that what I hope will result is that we will be able to publish very substantial parts of it. I would hope that whatever expurgated version we did publish would have the certification of the commissioners themselves that they consider the deletions to be deletions that are made in the interest of national security only and for no other reason. As I say, Mr. Speaker, I should like this authority from them, but that of course will depend upon their own decision.

Mr. Lewis: A further supplementary if I may, Mr. Speaker. The point the Prime Minister alluded to is one I had in mind, and I should like to put this question to him. Do I understand that the decision as to which parts are to be omitted when the report is published will be a decision of the government rather than a decision of the commission, although the commission will be consulted about it? Is that a fair summary of the Prime Minister's statement?

Mr. Trudeau: That is a fair summary, Mr. Speaker. This is because the commissioners are taking the position—I think it is the correct one to take—that their report is a whole report and they should not be asked to abridge it themselves. The report as submitted by them is their report to the government. Therefore we will have to take the initiative in making any abridgement. We will do it, of course, in consultation with any of the officials of the commission who can help us, but we will have to take the responsibility for making these abridgements. I hope that such abridgements, as I say, will carry some kind of authorization or statement of opinion by the commissioners, that the abridgements were made only in areas that affect national security, but of course I cannot speak for them. This is what I will seek.

Right Hon. J. G. Diefenbaker (Prince Albert): A supplementary question, Mr. Speaker. As the direct responsibility for national security rests at all times primarily on the Prime Minister of the country, and in view of the fact that for six years I held the position of prime minister, as did Mr. St. Laurent from 1948 to 1957, will the expurgated portions of that report be made available to former prime ministers as privy councillors? Otherwise, Mr. Speaker, if they are not matters may be contained therein that should be subject to challenge. No former prime minister should be in the position of having only a selective or abridged report on matters connected with security during his period of administration. I ask the Prime Minister to make available to former prime ministers those portions of the report that deal in any way with their period of the prime ministership.

Mr. Trudeau: Mr. Speaker, I cannot make that commitment now, not having read the report. I do not know if there are any such portions.

Mr. Diefenbaker: I do not, either.

Mr. Trudeau: I do not know if there are any such portions which would cover such a situation. I know, and of course the right hon. gentleman knows, that there are a number of precedents in the United Kingdom for not publishing reports when they affect national security. I hope it will be apparent from any authorization or approval of the abridgement I may obtain from the commissioners that no deletions such as the right hon. gentleman suggests have been made. If there is no such approval I shall perhaps look at other ways to cover the point raised by the right hon. member.

Mr. Diefenbaker: I am not in any way criticizing the necessity for portions of the report being kept secret. I am referring to possibilities which, in years to come, could have a detrimental effect against any one prime minister with respect to matters of security.

Mr. Trudeau: I understand the concern of the right hon. gentleman. His concern I think is justified, and I shall try to meet that point as best I can.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I presume the report contains recommendations for parliament and the government. Can the Prime Minister tell us whether those portions, at any rate, will be made public?

Mr. Trudeau: In the same sense, Mr. Speaker, I cannot answer this because, not having read it, it is purely a hypothetical matter so far as I am concerned. I would hope any portions which might be concerned with parliament will be dealt with in the way I suggested any portions that are of concern to any former prime minister might be dealt with.

Inquiries of the Ministry

[*Translation*]

EXTERNAL AID

NIGERIA—DEPARTURE OF SHIPLOAD OF SUPPLIES FROM HALIFAX

On the orders of the day:

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to put a question to the right honourable Prime Minister.

We know that a ship in the port of Halifax was loaded with food intended for the civilian population of Nigeria; can he tell us whether that ship has reached its destination, and what is its home port?

Right Hon. P.-E. Trudeau (Prmie Minister): No, Mr. Speaker, I do not have that information.

AIRPORTS

MONTREAL—REPRESENTATIONS AS TO DISPUTE WITH TAXI DRIVERS

On the orders of the day:

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, my question is directed to the honourable Minister of Transport.

Can he tell us whether he received a telegram from the Montreal Taxi Drivers Brotherhood, copy of which was supposed to have been sent to him, so as to offer a compromise in the situation which opposes Murray Hill and the brotherhood? If so, can he tell us whether he intends to revise the contract of Murray Hill Company with Dorval airport?

[*English*]

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I understand a telegram has been received. I will be glad to look at it and advise my hon. friend after a reply has been made.

POST OFFICE DEPARTMENT

REPORTED SHORTAGE OF COLONEL McCRAE MEMORIAL STAMPS

On the orders of the day:

Mr. A. D. Hales (Wellington): Mr. Speaker, may I direct a question to the Postmaster General. Since Remembrance day is but ten days away and the Colonel John McCrae memorial stamp has been oversubscribed in many post offices in Canada, many post offices being out of these stamps, will the minister make certain that more of these stamps are made available to the Canadian people?

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, I will be glad to look into this.

SHIPBUILDING

REQUEST FOR STATEMENT OF GOVERNMENT POLICY

On the orders of the day:

Mr. H. Russell MacEwan (Central Nova): Mr. Speaker, my question is for the Minister of Defence Production. I believe on October 22 he said that either he or the Minister of Transport would make a statement to the house on the government's shipbuilding policy. Could either of these hon. gentlemen advise us when such a statement on this most important matter will be made here?

Hon. Donald C. Jamieson (Minister of Defence Production): Mr. Speaker, this was a double barrelled request. Talks with elements in the shipbuilding industry, including some of the major construction concerns, are continuing. It is anticipated there will be several meetings, and we are listening to suggestions now. As soon as these have been resolved we will make a statement, but I cannot put a definite date on it in view of the way discussions are proceeding.

HIGHWAY SAFETY

INQUIRY AS TO ESTABLISHMENT OF PUBLIC ADVISORY BOARD

On the orders of the day:

Mr. Barry Mather (Surrey): I wish to ask the Minister of Transport a question. It has to do with the continual rise in traffic accidents on our highways and in our cities. I should like to know what is the situation in connection with the establishment of the long awaited public board to deal with all matters affecting traffic safety, an idea which was announced five thousand lives ago in this house.

Hon. Paul Hellyer (Minister of Transport): The establishment of the board referred to by the hon. member has been delayed because it requires co-operation and participation by the provinces and their responsible ministers. The provincial ministers are meeting in Saskatchewan next week, I think, and I understand they have an item on their agenda which contemplates the initiation of a further conference involving the federal minister, at which time I hope we can agree on the composition of the board and get on with this important work.

[*Translation*]

AIR CANADA

WINNIPEG—REQUEST FOR STATEMENT RESPECTING OVERHAUL BASE

On the orders of the day:

Mr. Bernard Dumont (Frontenac): Mr. Speaker, I would like to direct a question to the hon. Minister of Transport. It is an urgent question, Mr. Speaker, because it could prevent an unnecessary expenditure of about $10 million.

Can the minister assure this house that the government will take note of the reports of experts and fully respect the collective agreements concerning the gradual closing down, between now and 1973, of the Air Canada maintenance base at Winnipeg?

Mr. Speaker: It seems to me that the hon. member cannot ask the hon. minister to make a rather general statement about his views and intentions. I do not think the question can be put in those terms. The hon. member might perhaps try to word it differently.

Mr. Dumont: Thank you, Mr. Speaker.

I will therefore ask the hon. minister to tell us if his department has refused to attend a meeting of the members of the Q.F.L. and to participate in the discussion I mentioned earlier?

[*English*]

Hon. Paul Hellyer (Minister of Transport): I do not think we have refused to meet with anyone on the subject. I am speaking from memory; I am not sure, because not all these requests come to my attention. This is a current problem of considerable importance. The previous prime minister made a commitment to the people of Winnipeg that the base there would continue in operation until the end of 1972 or that an equivalent solution would be found which would employ approximately the same work force and approximately the same skills presently being used in Winnipeg. A study is currently being undertaken to see whether some satisfactory solution can be reached.

With respect to reports of experts, there is the usual problem of getting information in the form which is intelligible to the layman—

An hon. Member: And to you.

Mr. Hellyer: I was including myself in that class—and in a form which would provide a basis of judgment satisfactory to the people involved.

Inquiries of the Ministry

Mr. Stanley Knowles (Winnipeg North Centre): I have a supplementary question, Mr. Speaker. I wonder whether I might direct it to the Minister without Portfolio, the hon. member for Winnipeg South. In view of charges that the minister and others are making efforts to maintain the overhaul and maintenance base at Winnipeg, can the hon. gentleman say what progress he is making toward this end?

Mr. Speaker: I am not sure the question is properly directed to the Minister without Portfolio. I have some doubts about this.

Mr. Knowles (Winnipeg North Centre): Then may I direct the question to his superior, the Minister of Transport, and ask whether he can reply to these charges.

Mr. Hellyer: I think the Minister without Portfolio could answer the question much more effectively than I can. But since I have been called upon to reply, I can say that the Minister without Portfolio as well as all the other members from the Winnipeg area are taking a very real interest in this question.

Mr. Knowles (Winnipeg North Centre): How are we doing?

Mr. Diefenbaker: Is the minister taking an unreal interest?

Mr. Hellyer: All I can say, Mr. Speaker, is that they are still in the game, but it is a very complicated and difficult question, as my hon. friend will appreciate. It is one of the problems receiving most active attention at the present time because we do want to get some acceptable solution and discuss it with the workmen directly involved, and hopefully to gain the maximum co-operation from all the diverse interests represented.

[*Translation*]

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

When does he intend to make a statement in the house so that we may be clearly informed as to the intentions of the government in that respect?

[*English*]

Mr. Hellyer: Just as soon as a definitive decision has been taken, Mr. Speaker. I think my hon. friend will appreciate, however, that there are certain aspects which are completely within the control of the company and

there are others of direct concern to the government. As soon as we can reconcile all the interests I will be able to make a statement.

Right Hon. J. G. Diefenbaker (Prince Albert): Would the minister give an assurance to the people of Winnipeg, as well as to the employees in question, that the pledge given by Right Hon. Lester Pearson, then prime minister of Canada, is going to be carried out?

Mr. Hellyer: Yes, Mr. Speaker. That commitment which was given by the former prime minister, and which was subsequently reiterated by me in Winnipeg, still stands.

[*Translation*]

Mr. Dumont: Mr. Speaker, I have a supplementary question for the Minister of Transport.

Could he tell us when the president of Air Canada will be appointed?

[*English*]

Mr. Hellyer: Not precisely, Mr. Speaker.

FREIGHT RATES

STUDY OF LESS THAN CARLOAD RATES IN ATLANTIC PROVINCES

On the orders of the day:

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is for the Minister of Transport. I gave him notice of it yesterday. Can the hon. gentleman advise as to the progress in the studies of the Canadian Transportation Commission dealing with less than carload rates for Atlantic Canada, and when we may expect action on such studies in parliament?

Hon. Paul Hellyer (Minister of Transport): We have been doing some internal studies on this question, Mr. Speaker, but in addition, as my hon. friend will recall, last year I asked the Atlantic premiers to put their heads together and come up with some recommendations which they felt would be useful to the Atlantic region. The reason I suggested this is that the criticism is often made that Ottawa is remote from the problems of the area, and the people living there are more intimately aware of the problems and as a result might suggest more effective solutions.

Up to this point I have not received any report from the Atlantic premiers. I hope this will be forthcoming soon, so that whatever input they have can be considered with our own studies in the very real hope that we can get some policy which will be both reasonably economical in broad terms and more effective to maritime transportation.

Mr. McCleave: As a supplementary question, do I understand from the minister's answer that the Canadian Transportation Commission has completed its side of the studies?

Mr. Hellyer: I did not say completed, Mr. Speaker, but I understand that an internal paper has been forwarded for consideration by our department. Just how extensive it is I cannot say, because I have not yet seen it.

Mr. Robert C. Coates (Cumberland-Colchester North): As a supplementary question, Mr. Speaker, could the minister indicate whether it is the intention of the government to continue the rate freeze until such time as a transportation policy is produced for the Atlantic provinces?

Mr. Hellyer: I do not think this would be a good morning for speculation on that point, Mr. Speaker. I would really prefer to give the government a chance to look at the over-all problem and decide what is the best solution compared with some others that might be offered.

Mr. Coates: Would the minister not agree that while a transportation policy is being considered it would be unfair for that area—

Mr. Speaker: Order. The hon. member's supplementary question is argumentative.

HOUSING

TORONTO—RECOMMENDATIONS OF WELFARE COUNCIL CONFERENCE

On the orders of the day:

Mr. John Gilbert (Broadview): Mr. Speaker, may I direct a question to the Minister of Transport, who is in charge of housing. Has the minister received the report and recommendations of the housing conference held recently in Toronto, sponsored by the Canadian Welfare Council? If so, what steps is the government going to take to implement those recommendations in order to solve the serious housing crisis?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I cannot say whether all the recommendations have been received, but I know if they have not they will be. A member of the federal task force, Dr. James Gillies of Toronto, was in attendance at most of the conference meetings and is to make a

report to the task force. I might add that many of the suggestions received are similar to those made by other bodies across the country. They will, of course, be studied in the context of our larger inquiry.

Mr. Gilbert: Mr. Speaker, I wish to direct a supplementary question to the Prime Minister. Would he consider setting up a separate ministry of housing and urban development because of the difficulty that the Minister of Transport has in handling the heavy portfolios of both transport and housing?

[*Translation*]

IMMIGRATION

REQUIREMENT FOR KNOWLEDGE OF FRENCH

On the orders of the day:

Mr. René Matte (Champlain): Mr. Speaker, has the government considered insisting upon an adequate knowledge of French for immigrants going to Quebec and applying for Canadian citizenship?

[*Later:*]

Mr. Matte: Mr. Speaker, I would like to ask the Prime Minister why he did not answer my question.

Mr. Speaker: The hon. member can ask a question but he cannot, under the guise of a supplementary question, ask why no reply was given to his question. However, the Prime Minister might want to answer it now.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I apologize to the hon. member, but I did not know he was putting his question to me. Only when he resumed his seat did I realize that he had not put it to anyone in particular, and I had not been listening.

Mr. Matte: Could I ask my question again, Mr. Speaker?

Could the right hon. Prime Minister tell us whether the government has considered requiring that immigrants to Quebec who apply for Canadian citizenship have an adequate knowledge of French?

Mr. Trudeau: Mr. Speaker, this matter more specifically concerns the minister responsible for immigration but, with regard to the general policy of the government, I may say that we have not made a decision to this effect.

The hon. member can, if he wishes, put that question to the minister at the proper time.

[*English*]

EXTERNAL AFFAIRS

NIGERIA—APOLOGY FOR REMARKS ABOUT OBSERVER TEAM

On the orders of the day:

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, may I direct a question to the right hon. Prime Minister. Will the right hon. gentleman arrange to have tabled a copy of the apology made by the head of state of Nigeria to Canada and other countries making up the observer team, for the intemperate remarks about the team made by Colonel Benjamin Adekunle?

Right Hon. P.-E. Trudeau (Prime Minister): I shall consult with the Secretary of State for External Affairs on what the practice is in this regard, Mr. Speaker.

Mr. David Lewis (York South): At the same time, Mr. Speaker, would the right hon. gentleman discuss with the Secretary of State for External Affairs the possibility of tabling the report which no doubt the department has received from General Milroy or the junior Canadian observer?

Mr. Trudeau: Yes, Mr. Speaker, I shall consult with him about this also.

FISHERIES

REPORTED PAYMENT OF SALT SUBSIDY TO PROCESSORS

On the orders of the day:

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I wish to direct a question to the Minister of Fisheries. Can the minister say whether his department is going to continue the payment of the salt subsidy to fish processors even though it has been discontinued to Atlantic fishermen?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, my understanding is that the payment of the salt subsidy has been discontinued to all parties, the processors as well as the individual fishermen.

DRUGS

PROTECTION AGAINST COUNTERFEIT PRODUCTS—CRIMINAL PROCEEDINGS

On the orders of the day:

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. Can he shed a little more light on the

action being taken by his department and the food and drug directorate on the question of counterfeit drugs? I would bring to his attention, although I suspect that he already knows, that there have been further major seizures from firms involved in placing counterfeit drugs on the Canadian market.

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I wish to advise the hon. member that the department has this latest incident under consideration at the present time, and I hope to be in a position to answer the question more fully next week.

Mr. Forrestall: In considering it I wonder would the minister urge his colleagues in the department to consider seriously early court action about this whole situation. It is now seven or eight months since it started.

Mr. Munro: I would advise the hon. member that the department did take prompt action with respect to the previous incidents. All the counterfeit drugs were immediately removed from the market to our satisfaction. With respect to the latest incident—

Mr. Forrestall: Nobody has been charged.

Mr. Munro: —the basis of the evidence is being assessed to determine whether a charge can be maintained. That is the only reason for the delay.

INDUSTRY

HAMILTON—REPORTED MOVE OF STEEL COMPANY HEAD OFFICE

On the orders of the day:

Mr. Colin D. Gibson (Hamilton-Wentworth): Mr. Speaker, I have a question for the Minister of National Health and Welfare. I have been advised that the Steel Company of Canada is moving its head office from Hamilton to Toronto. Can the minister enlighten us in respect of this matter, has he any information on this?

Some hon. Members: Order.

Mr. Speaker: Order, please. I fail to see the immediate urgency of the question. If there is urgency the hon. member might give me notice concerning such urgency; then it could be debated at the time of adjournment.

Mr. Stanley Knowles (Winnipeg North Centre): On a point of order, Mr. Speaker, I think the reason there were so many shouts of "order" is that this does not come under the Department of National Health and Welfare.

[Mr. Forrestall.]

Mr. Speaker: That is also a good point. The hon. member for Winnipeg North Centre knows that when notice is given to the Chair the question is not necessarily accepted. It must be viewed in the light of the application of the rules generally.

INQUIRIES OF THE MINISTRY

On the orders of the day:

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, this question is directed to the Prime Minister. Is it true that the government has reconsidered its social development tax and decided to lift the $120 ceiling, and further has decided to introduce a capital gains tax so that some approach to taxation based on even Liberal criteria for taxation justice—

Mr. Speaker: Order, please.

Mr. Broadbent: —will be made in 1968?

Mr. Speaker: Order. The hon. member knows that the house is currently engaged in discussion of the budget. This is the type of question which the hon. member might well ask when he makes his contribution to the debate.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I should like to ask the Postmaster General a question on this particular day in his life when several million people are interested in stamp designs. Has the minister given any thought to changing the existing design of the new stamp and having it edged with black to commemorate increased postal rates and the budget?

Some hon. Members: Oh, oh.

FISHERIES

BRITISH COLUMBIA—LOANS TO INDIANS FOR VESSEL CONSTRUCTION

On the orders of the day:

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, my question is for the Minister of Fisheries. Does the recent proposal to make loans and grants available to B.C. Indians for the construction of fishing vessels conflict with the decision to reduce subsidies on wooden ships?

Mr. Speaker: Order. I do not think the question asked is in order. It would seem to be an argumentative type of question which cannot be accepted.

THE MINISTRY

FURTHER REFERENCE TO STATEMENT BY TRANSPORT MINISTER

On the orders of the day:

Mr. Speaker: The hon. member for Nova Scotia.

Mr. Donald MacInnis (Cape Breton-East Richmond): Thank you, Mr. Speaker. I have a question for the Minister of Transport. I should like to ask the minister what was the basis for his statement outside the house, when he made a blanket charge of smear against members of this house?

Mr. Speaker: Order. I doubt whether the question as asked by the hon. member for Cape Breton is acceptable. I apologize for calling the wrong name a moment ago. Certainly the hon. member cannot ask questions in this way about statements made outside the house.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, on a point of order I would appreciate, and I am sure the Minister of Manpower and Immigration would also appreciate, narrowing down Nova Scotia to Cape Breton and then to Cape Breton-East Richmond. I do not say this in a facetious way.

I should like to ask the Prime Minister if he would care to enunciate the government's position with regard to the code of ethics originally introduced into the house by the former prime minister.

Right Hon. P.-E. Trudeau (Prime Minister): The question is very general. I have no particular—

Mr. Speaker: Order. The question is rather general. If the Prime Minister wishes to make this kind of a statement it should be made on motions.

Mr. Thomas M. Bell (Saint John-Lancaster): Continuing on the point of order, Mr. Speaker, I think we are entitled to ask, in view of recent developments, whether this code of ethics is still in effect. It was brought in by a former prime minister, and we want to know whether it is government policy today and whether the Prime Minister has investigated recent developments to see whether they come under that code of ethics.

Mr. Speaker: The hon. member is attempting to ask a question which the Chair could not accept yesterday. I do not think he would want to do indirectly what has been ruled out of order directly.

Inquiries of the Ministry

Mr. MacInnis (Cape Breton-East Richmond): Does it not follow that when a minister of the crown makes remarks outside the house which reflect on all members of this house, this constitutes a question of privilege? If the Minister of Transport or any other minister has the intestinal fortitude to name names it could be cleared up.

HEALTH AND WELFARE

SASKATCHEWAN—PROVISION OF MEDICAL CARE FOR INDIANS

On the orders of the day:

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a question which I should like to direct to the Minister of National Health and Welfare. Has the minister received a communication from the Saskatchewan Medical Association requesting immediate action to ensure adequate medical care for Saskatchewan Indians, and warning that a failure to act may force doctors to leave areas which have a large Indian population and completely deprive some Saskatchewan Indians of medical service.

Hon. John C. Munro (Minister of National Health and Welfare): I should like to take the question as notice.

Mr. Southam: I have a supplementary question, Mr. Speaker. When the minister takes the question as notice will he take action to meet the emergency in this province which has the highest ratio of Indian population in Canada?

Mr. Speaker: Order, please. I do not think the supplementary question is acceptable.

DOMINION-PROVINCIAL RELATIONS

AGREEMENTS RESPECTING COLLECTION AND PAYMENT OF TAXES

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): This question is directed to the Minister of Finance. At the meeting which I believe is to take place on Monday with provincial ministers of finance and provincial treasurers, is it the intention of the government of Canada to propose new agreements regarding the collection of taxes and payment of taxes that have been collected, or to simply extend the existing agreements?

Hon. E. J. Benson (Minister of Finance): As my hon. friend knows, the tax collection agreements run out at the end of December. We would be willing to continue with the tax

collection agreements if the provinces so wished.

Mr. Stanfield: Is it the intention of the Minister of Finance to propose a continuation of these agreements and, if so, is there an intention to propose any changes with regard to them?

Mr. Benson: Mr. Speaker, I think my hon. friend will have to wait until Monday to find out.

Mr. Stanfield: Is it the intention of the Minister of Finance to make any concrete proposals to the provincial ministers with regard to establishing ceilings on shared cost programs?

Mr. Benson: Mr. Speaker, my intentions will be made known next week when I meet with the provincial ministers of finance.

GRAIN

MOOSE JAW—REQUEST FOR EXTENDED WORK HOURS TO FACILITATE DRYING

On the orders of the day:

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I should like to direct a question to possibly the Minister without Portfolio. In view of the expected arrival of 1,500,000 bushels of wheat at the Canadian government's elevator at Moose Jaw, starting today, would the minister give some indication to this house as to whether 24 hour, seven days a week shifts will be used to handle this grain drying, in order to expedite the movement of this damp grain?

AIRPORTS

TORONTO—PROTESTS AGAINST EXPANSION OF FACILITIES

On the orders of the day:

Mr. John Gilbert (Broadview): Mr. Speaker, I would like to direct this question to the Minister of Transport. In view of the angry and justified protests of the residents of the Mississagua area to the expansion of the airport facilities at Toronto, would the minister reconsider the plans for extension of the airport?

Mr. Speaker: Order, please. The question is of a very general nature, and I think it should be placed on the order paper.

[Mr. Benson.]

EXTERNAL AID

NIGERIA—GROUND CONTROL EQUIPMENT FOR CANADIAN AIRCRAFT

On the orders of the day:

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I would like to direct my question to the Prime Minister. Can the right hon. gentleman advise the house if the fourth Hercules aircraft that left for Nigeria in fact carried certain navigational equipment and aids; and in particular does the right hon. gentleman know whether it contained radar ground control equipment?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I believe this question was asked last week, and answered.

Mr. Forrestall: It was not answered last week.

Mr. Trudeau: But it was not asked of me.

Mr. Forrestall: Aren't the people of Canada entitled to know? You talk about the safety of our pilots.

Mr. Speaker: Order, please.

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I have a supplementary question for the Prime Minister. Has the government considered the shipment of salt fish or other fish products to needy countries such as Biafra?

HEALTH AND WELFARE

USE OF NEW DRUG CONTAINER TO PROTECT CHILDREN

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a question for the Minister of National Health and Welfare. In view of the recent dramatic drop in the number of child poisonings in the two control areas where the new type of plastic container has been used, would the minister investigate the possibility of requiring the use of this safety container for poisons and other noxious household products?

Hon. John C. Munro (Minister of National Health and Welfare): Yes, Mr. Speaker, the department does have that particular matter under consideration at the present time.

CANADIAN NATIONAL RAILWAYS

PROVISION FOR CAPITAL EXPENDITURES, ISSUE OF SECURITIES, ETC.

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

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

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

Mr. H. E. Gray (Parliamentary Secretary to Minister of Finance): Mr. Chairman, this resolution is similar to those which have in the past preceded the introduction of Canadian National Railways' financing and guarantee bills. These bills, including the present one, have been introduced annually with the exception of the 1963 bill which covered 1962 and 1963, and the 1966 bill which covered 1965 and 1966.

[*Translation*]

The present bill has seven main objectives, most of which had a similar form in previous legislation.

[*English*]

First, the bill would authorize capital expenditures by Canadian National Railways not exceeding $264,400,000 during the 1968 calendar year, including $75 million for investment in Air Canada, This level of expenditures compares with $264,800,000 authorized previously for 1967, with $67 million included therein for investment in Air Canada. The bill also contains technical provisions authorizing Canadian National Railways to make expenditures not exceeding $75 million between January 1 and July 1, 1969, for obligations incurred prior to 1968, and to enter into contracts before July 1, 1969, for capital expenditures not exceeding $90 million for which payment will not come due until after 1968.

Second, the bill contains a new provision authorizing Canadian National Railways to borrow $16 million for financing all branch line construction. Up to the present each special statute for construction of a branch line has included authority for financing its construction, and branch lines not requiring special legislation have been financed out of self-generated funds. In addition to covering all branch lines, the provision in the resolution and the bill based upon it are consistent with the intent of reflecting in the financing and guarantee bill all the financing authorities which Canadian National Railways require.

Third, the bill would 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 1969. This continues the practice of previous financing and guarantee acts. The 1967 financing and guarantee act extended to December 31, 1968, the expiry date of the authority granted by Canadian National Railways Capital Revision Act of 1952 for the purchase of such stock equivalent to 3 per cent of the company's gross revenue.

Fourth, and for the same reasons, the bill would extend until the end of 1969 the moratorium on interest on the government loan of $100 million to the railway company authorized by the capital revision act of 1952.

Fifth, as in previous years the bill would provide authority for the government to make temporary loans to Canadian National Railways and Air Canada to meet deficiencies in operating revenues up to June 30, 1969. Any such loan is repaid later from revenues of Canadian National Railways and Air Canada or, if these prove insufficient, the loans are written off through parliamentary appropriation.

Sixth, the bill contains an option not previously included in financing and guarantee

bills which would enable Air Canada to borrow $130 million either directly from Her Majesty or by means of a guaranteed public issue. The amount subject to this option does not include the amount of $75 million which it would borrow from Canadian National Railways.

Seventh, the bill would provide for the appointment of the firm of Touche, Ross, Bailey and Smart of the cities of Toronto and Montreal, chartered accountants, as auditor of Canadian National Railways for the calendar year 1969.

Finally, I would point out that the present bill makes no provision for enlargement of Canadian National Railways authority to refinance, which at present stands at $680 million and is considered adequate for the period covered by the bill. I would commend to the members of the committee the passage of this resolution.

Mr. Nesbitt: Mr. Chairman, when this resolution is presented to the house it gives hon. members on all sides the opportunity to deal with very many aspects of railroading and air transportation. At this time I would like to touch very briefly on two problems which I think come under the purview of this bill. I will leave other matters to a more appropriate occasion when the estimates are before the house.

• (12 noon)

I am glad that one or two ministers other than the minister responsible are in the house, because some of my remarks will of necessity relate to the administration of other departments, particularly the Department of National Revenue. In this regard I am glad to see the Minister of National Revenue in the house.

Perhaps I might digress briefly. It is the understanding of hon. members that the minister will be hospitalized in the near future to undergo an operation. May I take this opportunity on behalf of all hon. members, I am sure, of wishing him well.

The first of the two items I want to deal with at this time during the general discussion at the resolution stage of the proposed bill relates to the presidency of Air Canada. The resolution before us outlines the large sums of money being requested by Air Canada; yet at the present time this corporation has no president. Air Canada has been operating for quite some time without a president, and the rumour factory in this regard around Ottawa and elsewhere has been exceptionally busy. We hear on the one hand that this job is going to be divided into two parts or, like Gaul, into three parts, or maybe even four. I do not like to mention names so I shall not do so but we hear rumours that certain backroom politicians from Toronto will get preferment. We also hear that another from Montreal will get one of the positions in this divided presidency.

Mr. Baldwin: Are there still some who have not got jobs?

Mr. Nesbitt: As my house leader suggests, are there still some who have not got jobs? Perhaps that is what the government intends to correct. In any event I wish the government would decide what it is going to do and appoint somebody. Air Canada is facing a number of important long range decisions which have to be made soon, but the corporation at present is much like a large aircraft circling over Kennedy airport, not able to land. The government must make some decision.

The most often heard rumour is that the presidency of Air Canada is to be divided into two parts. Apparently there is to be a chairman of the board and a president. It is rumoured that the chairman of the board will be that prominent and able man from the city of Montreal, Mr. Saulnier. He is a man with great capacity and capability. We also hear that the executive vice president of Air Canada, Mr. Seagrim, is being considered for the position of president. Whatever the government is going to do apparently has not been decided.

There are two things I am sure the government must be considering. If someone is to be parachuted in as head of Air Canada the government must remember that the individual might be very capable in another field but not able to deal with many of the technical problems that face the administration of Air Canada. We have seen far too many examples of this type of thing. Many people are very successful in certain fields but when they are elected to this house it becomes obvious they are not capable here. We have seen people do very well here in the house but when they left they have not done so well in other positions.

It must be very discouraging for those people who are making a lifetime career with Air Canada to observe a practice of appointing politicians or friends of politicians to the top positions in Air Canada. These people may perhaps be eminent executives from

other fields, but it must be very demoralizing to people in Air Canada when they are put in over their heads. Many of the people now in Air Canada are very promising and have a great deal of ability. If they feel the government is going to engage in policies which prevent them from getting to the top they may very well leave. I hope the government will give some consideration to this aspect of the situation.

The most important thing is that the government make some decision. This situation has existed for some months and the rumours that have been circulating have not helped Air Canada's situation. The people of this country are entitled to know who is to be the head of Air Canada. If the government should decide to have a two-headed presidency, so to speak, we should know where buck-passing is to stop. I assume there are to be two heads of Air Canada, someone parachuted in from outside plus the executive vice president. Who will make the final decisions? The division of authority in this regard must be made very clear when the appointments are made.

Many decisions will have to be made by the new head or heads of Air Canada. The men who must accept the final responsibility must be made aware of that fact. An example of some of the things that the new presidency of Air Canada will face is the question of air freight and facilities. Most authorities on air transport agree that in the next ten years the amount of air freight will increase by 600 per cent. There must be very careful planning in relation to terminal facilities to allow for this tremendous increase, not to mention the increase in passenger traffic.

In this regard we must also consider container freight. This is a very important matter so far as railroads and shipping companies are concerned. It is also of importance in relation to air freight. About a year ago the use of containers for air freight commenced. In the last year this use has increased enormously and it is estimated that it will accelerate in the next year or two. With this increase there will be an increase in the number of problems the corporation will have to solve.

I have in mind customs clearance for international air freight. Various departments such as the Department of National Revenue will have to be consulted by the officials of Air Canada in order to speed up customs clearance of freight coming in by air. This in turn raises other matters, for instance, the use of computers to facilitate domestic as well as international air freight. We must also consider the type of bills of lading which will be used and handled by computers. This whole situation requires a great deal of planning and careful study.

We must also consider the type of aircraft to be used. In the past Air Canada has had certain types of aircraft on order but by the time they were received they had virtually become outmoded. I refer particularly to the Vanguard. It is a good aircraft, although I understand it is not as economical as some others. I have been informed that Air Canada would have purchased more jet aircraft had they been available rather than Vanguards. I know that Air Canada has already taken an option on certain types of aircraft that are being developed. A decision will have to be made in this regard.

We must also consider the question of jumbo jet aircraft and their ability to carry standardized containers. There are some 200 containers registered for use on aircraft. This number may have to be reduced to about 17 under I.A.T.A. regulations. Consideration must be given to this fact. This is the kind of problem the new head of Air Canada will have to solve.

Consideration must be given to the size of airstrips in order that jumbo jet aircraft and perhaps the new supersonic jets which are in the testing stage will be able to land. How are these aircraft going to be landed in cities like Montreal and Toronto where there are residential sections in the areas of the air terminals? Perhaps consideration should be given to establishing terminals near the ocean where these new jets can land, and the use of smaller aircraft to transfer the passengers from such terminals to the major cities. These are the problems that are going to be faced by the new head of Air Canada, and the sooner an appointment is made the better.

• (12:10 p.m.)

The next question concerns passenger service on the Canadian National. Unlike the Canadian Pacific which has done everything possible to get out of passenger service to the detriment of the Canadian people, the Canadian National has not adopted this attitude. Canadian National has removed a number of passenger facilities, and I shall deal with that shortly. On the other hand, the Canadian National, to its credit, has made every effort to increase the frequency and speed of passenger service in the heavily populated areas. I could refer to the new Rapido between Toronto and

Montreal, as well as trains in other areas. This attitude is very commendable and will be a big help in future years when perhaps, because of crowded terminal facilities, railways may provide better service between major cities a few hundred miles apart than the airways will.

Some of the other activities of Canadian National in the field of passenger service are not so commendable. We have seen branch lines, not only in the area of passenger service but freight as well, and particularly in western Canada, abandoned. The most drastic action, of course, occurred in Newfoundland and I will be dealing with that in more detail later as will a number of my colleagues. I think the management of Canadian National, and even Canadian Pacific, must remember that railway transport in this country should not be provided merely on the basis of whether or not it pays. Railway service in Canada, particularly passenger service, is a service that is provided for Canadians just as the postal service and other means of communication such as radio and television are provided. In view of the peculiar geographical qualities of our country, I understand it has always been the policy of all Canadian governments to try to ensure to the best of their ability that Canadians shall not be penalized because of the part of Canada in which they live. A great many Canadians live in the area between Toronto and Windsor, around the city of Montreal and in the lower mainland of British Columbia. However, there are numbers of Canadians thinly spread out between those areas.

No branch of government, or indeed no quasi-branch of government such as a crown corporation, should try to deliberately discriminate against Canadians because of their geographical location. This is part of the price we have to pay for living in a country the size of Canada with such a small population. If we wish to maintain our independence and our identity, we have to pay for that. We have to subsidize communication services in this great country of ours. This applies not only to railway passenger service but to freight service and the like. One other thing should be remembered in connection with these branch lines which are being discontinued and that is that in many cases they would have helped to open up our country to a greater extent than has been done so far. I feel the most careful consideration will have to be given in the future before we permit any more branch lines to be removed.

[Mr. Nesbitt.]

Passenger service, I believe, falls into three categories from a financial point of view. First of all, there are those lines that do pay. It must be admitted that a great many passenger services do not pay. For reasons I have pointed out, most of these services must be maintained in order that Canadians may not be penalized and so the new parts of Canada will be opened up. It should not be the policy of this government, the Canadian National or anybody else to discriminate against those people living in the thinly populated areas; otherwise we will have a greater concentration of population in a few areas such as Toronto, Montreal and Vancouver. We would also lose the advantage of opening up our resources.

The second category of passenger traffic is that which is in the lucrative passenger areas. I have no doubt at all that even with the rather peculiar accounting and costing methods used by the Canadian National, some areas of passenger service such as Montreal to Toronto, Toronto to Hamilton, Toronto to London and Windsor, do pay a handsome profit. Then there is a third group of passenger service areas. Those are the areas where costs are met but more money could be made if the equipment were used for freight or other purposes. My understanding is that many passenger services, both on the Canadian National and Canadian Pacific, have been abandoned not because they have been losing money but because they did not make as much money as they would if the equipment were used in freight service.

I should like to make one specific observation. Recently the passenger service between the city of Toronto and the city of New York was discontinued. I do not believe there is any need to point out to members of this house the great deal of essential commerce that goes on between these two great cities. While we know that it was the Canadian Pacific that provided the passenger service to New York, I believe that the Minister of Transport could perhaps pass on to the president of the Canadian National suggestions made by members here. We feel that steps should be taken immediately to restore some sort of passenger service between Toronto and New York.

As most hon. members are aware, particularly in the spring, fall and winter months Kennedy airport in New York, which is used by both major air lines connecting Toronto and New York, is fogged in. This is true of both Kennedy and Laguardia airports. Air

travel, therefore, is not possible sometimes for several days at a time. In addition, there are a great many administrative problems that have arisen in connection with Kennedy airport. These make air travel very difficult and cause delays. For these reasons alone, there should be some means of travelling between these two great metropolitan areas when so much business is done between them. It would seem to me that some form of rail transportation, perhaps only one train a day, should be provided. I suggest that the Canadian National, if the Canadian Pacific is unable or unwilling, should take steps immediately to try to restore passenger service between these two great metropolitan areas.

I come now to the question of passenger service elsewhere. We have seen, of course, the discontinuance of many branch lines in the rural areas of Ontario, western Canada and other areas. Perhaps the part of Canada that has received the biggest kick in the teeth in this connection has been the province of Newfoundland. The decision to remove the passenger service in Newfoundland was made prior to the last election. Perhaps this had something to do with the results in Newfoundland, I do not know. Certainly, however, it seems very strange treatment of the people of Newfoundland, especially in view of the fact that ever since that province joined confederation the Liberal members from the area have always been ready, are ready, to act on behalf of the party. It seems strange indeed that both the present administration and the previous administration would give Newfoundland such rough treatment.

I know it has been said that Canadian National Railways will provide bus service in Newfoundland. Well, Mr. Chairman, any hon. member who has had the pleasure of visiting that great province will know that the central part is not heavily populated. In addition, since Newfoundland is an Atlantic province, it receives heavy snowfalls in the winter. All I can say is that I would hope the president of the Canadian National and some of his officials who are responsible for this decision will take a ride on a bus during the winter. Perhaps they would then find out what it was like. I cannot see why the people of Newfoundland should be given such poor and inadequate service.

• (12:20 p.m.)

I repeat, Mr. Chairman, that I do not think it necessarily matters in this country that in every case the costs of communication and travel be met, but I think we would all agree that the costs should be met as much as possible. Even the Postmaster General agreed the other day that there should be some sort of subsidy for such services. The Postmaster General was trying to cut down the amount of subsidy required for the post office. The same case applies to the railways. Although it depends on the kind of accounting we use, the claim is nevertheless made that a passenger service cannot make money. My point is that it is not necessary that it should. As I have said several times, the C.N.R. should provide a service to Canadians in view of the peculiar geographic qualities of our country.

Before I resume my seat, Mr. Chairman, I should like to make one last appeal on behalf of the people of Newfoundland in view of the treatment that they are presently expecting to receive. It has been rumoured—I realize there are always rumours circulating around this place—that some sort of deal has been made between the government, the C.N.R. and, I understand, the government of Newfoundland whereby, if the trans-Canada highway costs are met, railway passenger service would be discontinued in Newfoundland. If some kind of agreement or deal has been made, then I am sure that the present government is not bound by it and could withdraw from the position taken. It seems a sad thing that the people of Newfoundland who have recently joined Canada should be given such rough and unenviable treatment by the very government that brought them in.

Mr. Skoberg: Mr. Chairman, in reading last year's resolution in connection with this same capital expenditure, issue of securities and so on, I find the following introduction:

> That it is expedient to introduce a measure to authorize the Canadian National Railway Company to make capital expenditures and to supply the financial requirements of affiliated companies—

The resolution before us, Mr. Chairman, reads as follows:

> That it is expedient ... to make capital expenditures including investment in securities of affiliated companies—

There is a slight change of wording. The question I should like to put to the minister, and through him to those responsible for this resolution, is: Why is there a change in wording? It suggests to me that separate entities are being established as such. It will be much more difficult to secure the necessary information to enable the committee on transport and communications to discuss intelligently

the aspects of each in light of the change in wording of this resolution.

Personally, Mr. Chairman, I do not want to see the creation of an empire with the public of Canada supplying the necessary capital for investment in securities of affiliated companies without an opportunity being provided to the standing committee to scrutinize the financial statements of each. I concur with the remarks of the hon. member who preceded me when he suggested that the system of cost accounting used should be taken into consideration. We all know that it is most difficult to try to keep up with this particular system. I do not necessarily disagree that the required capital may have to be supplied for affiliated companies, but to invest in securities in these affiliated companies is a proposition that leaves me somewhat in doubt.

Another point with which I have been concerned for a long time is the outstanding bonds issued by the Canadian National Railways. I have asked in an inquiry of the ministry for certain information concerning these bonds, and possibly during the resolution stage the minister will be prepared to answer my questions. One of the questions dealt with who holds the existing C.N.R. bonds and where they are located. Another asked whether the C.N.R. has made any effort to get the bonds back and, if so, what action has been taken in this regard. The third question asked how many bonds the C.N.R. has bought back and how many are now held by the company. It has already been stated that many rumours circulate around this institution, but I understand that at the present time some people are attempting to buy old, outstanding bonds. I should like clarification in this regard.

It is completely ridiculous, in my opinion, that the taxpayers of Canada should provide a pleasant income for so many people, perhaps in all parts of the world, by permitting them to hold old bonds. It would be interesting to note the amount of interest return received by each bondholder. It is my opinion that these bonds should be bought back at the earliest possible date in order that the C.N.R. can clearly show its actual inputs and outputs in its operating budget without having to include interest paid on outstanding bonds. It is my thought that the C.N.R. itself would be most pleased if this were brought about.

I am pleased, in looking at the annual report of the C.N.R. for 1967, to note an improved picture under the heading of passenger services as related to the use of facilities, and also to note the reasons given for this picture that appears in the annual report. For example, at page 5 of one of the annual reports an important part of this improvement is attributed to a positive, market-oriented approach to the passenger business. On page 11 of the same report the statement is made that the provision and effective promotion of new and improved train services in certain areas was also an important factor. I realize that Expo could have had something to do with the improved picture suggested in the report, but I must congratulate the management of the C.N.R. for their approach to the passenger market, other than the passenger market in Newfoundland.

I am certain that Canadians as a whole agree that with growing congestion on our highways and the increasing difficulty of obtaining air travel accommodations, rail passenger travel is both desirable and urgently needed at this time and particularly in the future. It is an absolute must that in the financing of the C.N.R. adequate provision be made to ensure that all parts of Canada will be serviced by rail passenger traffic. While I appreciate that there is a great push to get rid of uneconomic passenger services, I think it would be a disservice to the country if such services were discontinued. Certainly this is a problem with which the house should concern itself immediately, instead of waiting till it is too late.

I should like to quote a paragraph dealing with federal government payments to be found at page 6 of the annual report for 1967:

> Provision is made for the railways to withdraw uneconomic passenger services or branch lines subject to the approval of the new Canadian Transportation Commission set up under the act. If the commission decides that an uneconomic passenger service or branch line should be maintained in the public interest, the railways will be compensated, in whole or in part, for losses in respect of each specific operation.

On page 11 of the report, under the heading "passenger services" the following paragraph appears:

> The company continued to pursue a positive policy of concentrating on the provision of such passenger services as may be required in areas of profit or potential profit. Steps have been taken and will be taken to seek withdrawal from, or obtain public monetary support for, those unprofitable services which do not fit into that pattern; the objective being to eliminate the deficit in passenger operations.

No matter how one may wish to rationalize, when rail lines and services are eliminated an

immediate added cost is put on the public in the form of providing highways that are capable of handling the increased traffic load. Also, additional aircraft flights are required. I submit that it is absolutely unrealistic to compare the number of people who can be handled efficiently by air with the number who can be transported at this particular time along our roads and rail lines.

I have had experience of applications made to the railway commission when so-called uneconomic passenger line abandonments are up for consideration. I am sure that everyone in this house realizes that the slide rule artists are quite capable of changing a profit into a loss. Sometimes even a royal commission is unable to controvert the statements of these experts. I listened to a statement made by one expert in this field who told me that whether I wanted to show a profit or a loss he could give me what I wanted with the same set of figures. I am sure that anyone who has attended this sort of hearing appreciates the situation when he tries to figure out cost equations for this particular segment of the economy.

The communities of this nation are being hard hit to maintain viable economic units. We have recently seen many post office facilities closed down because of the stated policy that there should be a minimum of 30 families to warrant revenue post offices. No consideration appears to be given to the social elimination of post offices, just as it is true that no consideration is being given to the impact of the abandonment of passenger services and branch lines.

• (12:30 p.m.)

During the post office debate the question was raised whether the railways had asked to be relieved of the handling of revenue postal mail had the government itself suggested that the railways change their facilities and methods of transportation. The answer given was that, naturally, the railways had not asked to be relieved of the handling of that mail. Yet there must be a relationship between the social and economic needs of a community.

In C.N.R. financing matters and problems such as these must be given priority as it is our responsibility in this house to ensure that communities, which mean people, are given prior consideration. I am given to understand that at this very time a large staff is employed in preparing applications for the abandonment of branch lines and passenger services throughout Canada.

I refer now to page 49 of the annual report of the Department of Transport for 1966-1967, "Transportation Policy and Research":

> It was formed to undertake economic and technical research into all modes and forms of transportation; to assist in the development and formulation of transportation policies; and to advise on legislation in all fields of transportation. The branch is staffed by a group of professionals with training in the fields of economics, statistics, commerce, geography, business administration and engineering, with experience in railway, shipping, trucking, and air line companies.

I wonder whether any sociologists have been engaged by the department for this in depth study of the resultant consequence of any passenger train abandonment and/or branch line abandonment. I am certain we realize that an economist concerns himself with the best means of attaining a given end. He cannot concern himself with the social problems, nor with the end results of what effects abandonments will have on the people themselves.

A good example of this situation exists at the present time in the province of Newfoundland. No one needs to remind the house that it is the intention of the railway company to abandon the only passenger service in Newfoundland, trains 101 and 102. We have a responsibility to ensure that this passenger service is not eliminated. Surely, in the financing of this railway company and its affiliates, money must be allocated for necessary services. I do not know where else in Canada it is as absolutely necessary to retain and maintain a passenger service adequate to serve the needs of our citizens as in Newfoundland. This government will stand accused in the eyes of every man, woman and child in that province if they allow this cancellation of rail service to go through, and I think it is past time for this crown agency to accept its responsibility and to stop acting as a free swinging, corporate elite.

Another point of some concern to me is the discharging of obligations incurred by the C.N.R. I am certain that the minister must be aware of the claims made against the C.N.R. by certain contractors who were involved in the construction phase of the Great Slave Lake railway. It is a fact that the hon. member for Selkirk has made attempts to have this matter cleared up. He suggested that no additional sums of money should be allocated for any new branch line until some answers are received as to the manner in which C.N.R. engineers enforced contract provisions which resulted in many contractors being forced into bankruptcy on the construction phase of

the Great Slave Lake railway. It would appear to me that this is a matter of urgency as this crown agency has an obligation to lead the way in proper contract supervision. It is expected that the minister will have a statement to make on the fair and just settlement with the contractors engaged in the construction of the Great Slave Lake railway.

I think it is only right at this time to remind the minister that he should be particularly cautious in his desire to save money when such saving can have the effect of creating hazardous conditions in rail operations. I refer specifically at this time to the elimination of maintenance of way employees and the cutting back of car inspections on through passenger and freight trains. No one needs to remind the minister that the first line of defence in the operation of the railroad is the section man who is required to keep track and roadbed conditions at their best at all times. I do not like hearing of failures because of washouts, broken rails, cave-ins, just to mention a few examples, as it invariably follows that these can all be chalked up to a lack of people to do the job necessary in coping with the high speed trains of today. It can be said that one can expect an act of God in some of these situations, but there have been far too many of these incidents to use that excuse in every failure that has occurred.

My second concern is the decreasing amount of car inspection that is being carried on at terminals by qualified car staff or carmen. I submit that there is far too great a desire on the part of company officers to decrease the work force and pay no attention to the dangers that are being created by such reduction. Trains today are travelling at speeds of 70 to 75 miles per hour in freight service and higher than that in passenger service, and even though the equipment has improved in the past number of years the need for frequent car inspections is an absolute necessity. I, personally, can relate many experiences where wrecks were averted because carmen found defects at intermediate terminals and the necessary repairs were made. I can assure you this is not idle talk, Mr. Chairman. These are true facts and evidence is easily available to substantiate them.

I now wish to say a brief word about the air lines, and I agree with my hon. friend's position with regard to the presidency of Air Canada. I will not repeat what he said. I can only say that the congestion at some of our airports makes one wonder how much needs to be done to keep up with the ever-increasing air travel. The staff at these airports are doing an excellent job but too often the work load and the so-called automated system leave people stranded at airports without accommodation. This is happening, and when it does our image in so far as Air Canada is concerned is not improved. When one is in a service industry every effort must be made to serve and please the paying customer. I am sure hon. members agree with that concept.

A further and most important point to be drawn to the minister's attention concerns employees of the C.N.R. who are now on pension. It is well known that a pension which years ago would have seemed adequate to meet a bare standard of living is so inadequate today that these pensioners are living on a bare subsistence. Most hon. members know that the hon. member for Winnipeg North Centre has been waging an unsuccessful fight for people on fixed low pensions and everyone will accept the premise that his attempts are entirely justified.

In the resolution before us it should be recognized and accepted by the government that provisions must be included to expend moneys for the express purpose of alleviating the degrading situation of these pensioners. Surely we cannot continue to ignore one of the greatest problems before us today. People on fixed income or low wages deserve our sincere, immediate attention in raising their incomes to a level that will allow them to appreciate a few of the good things of our modern day living. After all, these are the pioneers of our country and the C.N.R. pensioners are the very people who made it possible for this crown corporation to be the success it is today. These C.N.R. pensioners, and in effect all pensioners, are entitled to due recognition. This party implores the government to take immediate steps now to rectify this deplorable situation.

• (12:40 p.m.)

We will have more to say on the various clauses of the bill when it is introduced. At this time may I say that I agree with the statements some hon. members have made with regard to millions of dollars being spent for purposes of rail improvement and air traffic. At the same time the government across the line is becoming interested in making large investments in the most economic method of transport and is looking increasingly toward a greater use of rail passenger service. I implore the government not to abandon rail passenger traffic but to support

the most efficient system of transportation, which I am sure we can do in this case.

[*Translation*]

Mr. Gauthier: Mr. Chairman, I wish to say a few words on this resolution. Like other honourable members, we are quite happy to see the government introduce in the house at this time the legislation which reads as follows:

That it is expedient to introduce a measure to authorize the Canadian National Railway to make capital expenditures including investment in securities of affiliated companies in the calendar year 1968 not exceeding in the aggregate $264,400,000, to make capital expenditures in the first six months of the calendar year 1969 not exceeding in the aggregate $75,000,000 for discharging obligations incurred prior to the 1st day of January, 1969, to enter into contracts prior to the 1st day of July, 1969, for equipment, additions and conversions requiring payments after the calendar year 1968 not exceeding $90,000,000, to borrow either from Her Majesty or by means of issues of securities guaranteed by Her Majesty an amount not exceeding $75,000,000 for investing in securities of Air Canada—

Mr. Chairman, I want to take this opportunity to ask the minister whether he could not, when introducing this legislation, tell us what are the various affiliated companies to which he referred. Furthermore, we should like to know the nominal value of the holdings of each of these companies and, in particular, whether some of them are in the trucking business.

I think that most of the citizens in our area, as those in all Canada of course, would be extremely interested to know these details, so that we may appreciate better the importance of these companies, and mainly the services they can provide all across Canada, without any discrimination with regard to some areas.

Upon reading the sums of money which are mentioned in this resolution, and I quote:

—including investments not exceeding in the aggregate $264,400,000—

I think, of course, of my area, the Lac Saint-Jean area which is called Saguenay-Lac Saint-Jean where, according to the general opinion of the people we are certainly not assisted in the field of transportation in view of the fact that the Canadian National Railway Company certainly does not do everything it can to provide an adequate service.

We propose to try, when this legislation is introduced, to explain to the minister the needs of the Saguenay-Lac-Saint-Jean area, because we find that the railways made it possible for our region to grow. But if the present situation continues, the railways will also be responsible for its economic slowdown. In fact, year after year, services are discontinued. Last year, for instance, the postal rail service was abandoned and replaced by the delivery by truck. I fail to see the advantage of that measure or the saving it represents, because it is much more expensive to deliver mail by truck than by rail.

I think that was done in a deliberate effort to take every possible source of income away from the railways in our region in order finally to abolish the freight service, and today there is talk of discontinuing the passenger service.

Even freight services were cancelled to be replaced by one train only. I have no objection, since this certainly means savings, but I think, Mr. Chairman, that besides the economic factor, we should take into consideration the service aspect of the matter. In fact, the railway service is first and foremost a service that has to be administered as economically as possible, but in our areas, consideration must also be given to the services given.

I especially draw the attention of the minister to our area where next year, even the passenger train between Chambord and Dolbeau might be cancelled.

If the Canadian National does that, it will be a retrograde step that will bring our people thirty years behind. It is alleged that such a cancellation is due to a slowdown in the transportation industry. I am not ready to admit that, Mr. Chairman. In my opinion, it is merely a lack of good will and reflection which may lead to the cancellation of this train.

I travel every week on that train. When we hear criticisms, Mr. Chairman, we realize that the lack of passengers is due to bad service. For example, we often hear a passenger from Montreal arriving in Dolbeau say: I have taken the train once, but I will never take it again, because the service is too poor, it takes 14 hours to come to Montreal from Dolbeau. I think that if the authorities of the C.N.R. had tried to improve the service—especially their railway service—the public would travel by the Canadian National Railways much more often than at the present time.

• (12:50 p.m.)

One can also read in the resolution and I quote:

—to borrow either from Her Majesty or by means of issues of securities guaranteed by Her Majesty an amount not exceeding $75,000,000 for investing in securities of Air Canada—

Canadian National Railways

Mr. Chairman, since Air Canada is part of the Canadian National Railways or affiliated to that company and since it will also benefit from this money—which I am quite happy about—I should like the minister to consider the possibility of Air Canada also serving our region. Up until now, our part of the country has been served by private companies, Quebec Air or Nordair, but in view of all the taxes we pay to the federal government, Air Canada should consider the possibility of running a service between, for example, Montreal and Quebec, Roberval, Bagotville and Seven Islands.

We are also entitled to benefit from the services provided by state owned companies. Private companies provide the best service they can but, since they do not have the advantages of the crown corporations, they naturally cannot serve our part of the country the way Air Canada could.

If we discontinue the railway service, we will have to get another means of transportation. In my opinion, transport by air would be much more efficient. We have in Roberval an airport which has been abandoned for more than two years and which is now used only by a few private planes; when this measure is introduced, that will be the ideal time to consider the possibility of investing a few millions in our region, in air services.

Mr. Chairman, I would like to draw the minister's attention on that point before giving the last touch to the measure, in order to try to give the people of Lac-Saint-Jean and Saguenay a better service, first through the C.N.R. then, through Air Canada, as requested by the whole people of the region.

[*English*]

Mr. Peddle: May I suggest, Mr. Chairman, that we call it one o'clock?

The Deputy Chairman: With the unanimous consent of the committee is this agreed?

Some hon. Members: Agreed.

The Deputy Chairman: It being 1 p.m. I do now leave the chair until 2.30 p.m.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

The Chairman: Order. The hon. member for Grand Falls-White Bay-Labrador.

[Mr. Gauthier.]

Mr. Peddle: Thank you, Mr. Chairman. Thank you also for finally getting the correct name of my constituency. My first comment is that I wish very much that the measure before the committee this afternoon, the financing of the C.N.R., could be one that required unanimous consent in order to be passed by the committee because I assure you if such were the case there would not be unanimous consent. Further, I should like to say to all members on both sides of the house that if they had any idea of the real meaning of the concept of confederation, passage of this resolution would be denied by both sides of the house. Of course I am referring to the discontinuance of rail passenger service in the province of Newfoundland.

I think there is no better way for me to commence my remarks than to refer to the very first item in the terms of union between Newfoundland and Canada. Item 1 says that on, from, and after the coming into force of these terms, hereinafter referred to as the date of the union, Newfoundland shall form part of Canada and shall be a province thereof to be called and known as the province of Newfoundland. In the decision of the so-called rail transport committee to approve of the discontinuance of passenger service I maintain there is a direct violation of the terms of union. The province of Newfoundland is being set up as the single province in Canada that does not need a rail passenger service.

As a result of a question asked of the Minister of Transport in this house by one of my colleagues the Minister of Transport said, mind you, that he regrets the inconvenience to Newfoundlanders because of the planned cancellation of the C.N.R.'s rail passenger service. One would not know but that he had rubbed against you coming off the elevator and had said, "Very sorry about that, buddy". He mentioned that some other small branch lines are being discontinued. But to the people of Newfoundland he says, "We are sorry to cause you inconvenience". He forgets that the province of Newfoundland has had this service for some 70, 80 or 90 years, long before confederation.

I should like to refer to another of the terms of union. It probably is not explicit enough. One could find loopholes in it. Naturally the C.N.R. is noted for finding loopholes. They are the most professional loophole finders in the country. Item 31 says that at the time of union or as soon as possible thereafter Canada shall take over the following services and will, from the date of union,

relieve the province of Newfoundland of the public cost incurred in respect of each service taken over. Then the services are listed. The very first one is the Newfoundland railway, including steamships and other marine services.

In their national advertising Canadian National Railways refer to it as the escape route. They are certainly adopting an escape route in the province of Newfoundland and they are doing so with the approval of this government. With the approval of the Minister of Transport Newfoundland has been stabbed in the back by the present government and by that self-appointed so-called friend of Newfoundland, that $50,000 a year friend of Newfoundland, Jack Pickersgill, the chairman of the transport commission. As I say, we are being stabbed in the back.

The 1966 figures which accompany the application for the discontinuance of this service show that some 90,000 Newfoundlanders have used this service in the years up to 1966. One in every five Newfoundlanders has made use of this service. The railway very cleverly took the year 1966 as the year to make their application because, following the completion of the trans-Canada highway, a lot of people decided, naturally, because of the novelty alone, that they would travel by highway. We had never had a highway so they decided the novelty was too much to resist. The year following the completion of the highway Canadian National Railways brought forward their application for discontinuance of the rail passenger service.

• (2:40 p.m.)

The hon. member for St. John's East placed a question before the Minister of Transport just a few days ago and, as a matter of fact, on October 30 the answer was forthcoming. I refer to page 2201 of *Hansard*. The hon. member asked for some of the figures accompanying the C.N.R.'s application to discontinue the service. The answer by the Minister of Transport was that such figures did accompany the application but they were of a highly confidential nature and could not be disclosed. Regardless of that, I have come upon the figures that the hon. member requested and could not get because they were confidential. I have those figures before me.

Presumably Canadian National Railways suffered a deficit of some $900,000 in 1966. I say without any hesitation—and I have this very confidential report before me—that the analysis of variable expenses as they call them, whatever that means, which the railway provided with their application is most definitely padded. There are in this analysis of variable expenses such things as depreciation. Good Lord, those facilities were depreciated 100 years ago. They have been depreciated six times over. But we have an item for the depreciation of cars in the amount of $97,697, and for depreciation on locomotives, $66,173.

We must bear in mind that the total deficit was $918,000. The next item in the financial report which accompanied the application of the railway is inside expenses, whatever that means, which amount to almost half the total deficit. The figure for inside expenses is $429,-765. These figures are included in the financial report which the C.N.R. submitted to the transport commission in order to back up their request to discontinue the passenger service.

I suggest that the members of the transport commission, including Jack Pickersgill, still do not know what inside expenses are. I do not know what this expression means; it is a very vague term. However, inside expenses amount to almost half the total deficit of the railway. I do not think there is any need to repeat that when the chairman of the transport commission, refused, for personal reasons, to chair the meeting in St. John's he knew what he was doing. He did not want to come out in public and stab us in the back; he wanted to do it behind the curtains.

I remember that when I first came to the house just after the opening of the session an hon. member referred to a book that the Prime Minister had written, in which he said that Canada had paid dearly for Newfoundland's entry into confederation. It would seem to me, and to all Newfoundlanders, that he and his government now want their money back.

Some hon. Members: Hear, hear.

Mr. Peddle: Ninety thousand Newfoundlanders made use of this service in 1966, and this should not be used as a criterion for the action the railway has taken. I have noticed since coming to Ottawa that while the decision was made to discontinue the Newfoundland passenger service, when applications have been made to discontinue similar services—I refer to small branch lines on the mainland—there have been great meetings of the board in order to establish costs and criteria. Apparently none of this was needed in connection with Newfoundland. Apparently

the attitude was: These are the natives; use them as guinea pigs.

I do not need to read the very first item of the terms of union, and I do not think Newfoundland wants to be considered as a foreign country that is asking for foreign aid. But I would remind hon. members of this house that we are part of Canada; we became part of Canada in 1949 and we are to be considered as a province of Canada.

What is the proposal of this benevolent transport commission? They say there was a deficit of $918,000. I say that the figures they submitted to support their case were definitely padded.

There is one train in Newfoundland to which one passenger car is coupled. They hook on one car at the end of a long freight train. The railway, in the expenses set out in this financial report, even includes a proportion of the fuel used to pull that one, solitary car. They did not bring into the picture any part of the money they made on the 99 freight cars that went ahead of it but proportioned the expenses in connection with fuel used on that twice a week service. It is very easy to make any line in Canada a candidate for abandonment if you use supporting figures such as were used in this case.

In the report of the railway commission which sat in St. John's they say that one of the reasons they are discontinuing our passenger service is that the gauge is so narrow. The gauge is no narrower than it was in 1949. The commission also says there are curves, grades and so on in the line. There is not one single curve or grade that was not there in 1949, and the gauge is the same.

When we started to make a fuss about this matter, and only then, we were told the intention was to provide a fleet of 16 buses. Since we began to be heard on this matter we have been told the railway will provide, in addition, four super buses. We stopped reading comic books years ago. We do not care about super buses. This is almost like an advertisement for soap or a super detergent. They will provide Newfoundland with 16 buses and four super buses. I call this to the attention of the committee. God knows, we in Newfoundland should thank everybody for our blessings. Each bus will seat 39 passengers, will be air conditioned and equipped with a lavatory.

Some hon. Members: Hear, hear.

Mr. Peddle: I hope the air conditioning is working some stormy morning next February when the bus starts to slide across Crooked Bog. Hon. members might not know what Crooked Bog is or where it is, but I hope the air conditioning is working. As somebody suggested this morning, I hope the general manager of the C.N.R. is on the bus at that time. Then it is said that the buses will be equipped with lavatories. Big deal! Perhaps they should not have spent the money because we have a very wooded country and the bus should just slow down.

Some hon. Members: Oh, oh.

Mr. Peddle: This is very magnanimous of the railway; it is wonderful. They have told us this in the newspapers and every news medium that I have read or heard. They will provide these buses with reclining seats, air conditioning and a lavatory. Thanks be to God, to Jack Pickersgill, Canadian National Railways and this government which promised us a just society. What do they offer the people of Canada? This is what they offer a part of Canada that needs aid. What do they offer to the rest of Canada? I have here some of the very colourful brochures put out by the railway. I think the committee would be interested to hear what these brochures say. In one brochure it states:

> The case for CN "traveliving"! It's the most relaxing, most enjoyable and most rewarding way to travel. Comfort and pleasure all the way. Tempting meals. Tip-top service. On longer distance trains, hospitality hours, kiddies' hours, even bingo!
>
> Scenic . . . sophisticated . . . satisfying. CN "traveliving"—the only way to go.

This is all for Canadians, but for Newfoundlanders we have 39 passenger buses with air conditioning, which we do not need, and lavatories, which we probably will not need. That is not all.

Some hon. Members: Explain.

• (2:50 p.m.)

Mr. Peddle: That is not all, Mr. Chairman. We have two kinds of Canadians; Newfoundland-Canadians and Canadians. Here is a little booklet which was so kindly provided to me by the C.N.R. and it covers the train section by section. It states:

> Deep spring seats by day, lower and upper berths with foam mattresses by night. Dormette accommodation is very similar.

That is very interesting. Then it states:

> Roomette: Lots of room for one; foldaway bed and all facilities.

Then they have it in French, and while I am taking French now I will not risk reading

it. It then deals with a duplex roomette and states:

> Compact comfort with bed and all facilities.

The next one states:

> Bedroom: Another type featuring full length day-sofa, folding armchair, upper and lower beds and all facilities.

It also states that the bedrooms have folding armchairs replaced by upper and lower beds at night, with all facilities. Then it refers to the club car and states:

> Privacy or conversation—in comfort.

Apparently you can read all the latest magazines in deep-seated comfort. They have carpeting up to your ankles; you name it and they have it. Then the booklet refers to the cafe lounge and says:

> A pleasant setting for hearty meals, snacks and refreshments.

Then we have the livingroom and the booklet speaks of lounging in sophisticated ease. It refers to the lounge—"soft lights and luxury in a modern mood." This is beautiful for Canadians. We then go to the diner where it speaks of fine meals, gleaming silver and impeccable service. That is the end of that one. Most Canadians enjoy these things, but these people spend our money to promote this stuff and at the same time deprive us of our comfortable travelling accommodation.

We then come to another pamphlet which starts off by saying "Why be a prisoner of the road"? It goes on to say:

> There's no need to sentence yourself to hours of tension behind the wheel when you can travel relaxed on CN "traveliving" comfort and have the use of your own car at destination.

The brochure mentions all-weather reliability. This is something they should have taken into consideration in Newfoundland. I suggest the buses will not have all-weather reliability. The brochure also states, "No eating on the run". How in the name of heaven are you going to sleep and eat, play bingo and snakes and ladders and do these other things on a bus? This is fine for the rest of Canada. This is just my way of speaking but I am serious. Canadians nest in deep-seated comfort; they can sleep the miles away. They can go into the lounge and enjoy the friendship of their friends and can even meet new friends.

Another brochure suggests that one should not be bashful. You are not supposed to be bashful; you are supposed to speak to people and make new friends while enjoying carpets up to your ankles. You are supposed to have a drink and make new friends with somebody in the lounge car, I suppose, while you play bingo. This is all for Canadians.

What do these people tell the Newfoundlanders? What do they offer to the people there? They offer a 39-seat bus with air conditioning, which we do not need, and a lavatory.

Some hon. Members: Oh, oh.

Mr. Peddle: Hon. members over there sound as though they approve of this. Maybe they were not here when I made my earlier remarks. They do not have any idea what confederation means.

An hon. Member: Speak up, we are listening.

Mr. Peddle: They should try to understand. We are supposed to be equal partners in confederation. The name of the outfit I am criticizing today is Canadian National Railways. That suggests to me that it is a national service rather than one available to nine provinces of Canada but not to the tenth. This is the point I am trying to make.

The Chairman: Order, please. I am sorry to interrupt the hon. member but his time has expired.

Some hon. Members: Carry on.

The Chairman: Is it the pleasure of the committee to allow the hon. member to continue?

Some hon. Members: Agreed.

Mr. Peddle: I should like to thank you, Mr. Chairman, and those hon. members who have been so gracious. I hope they do not regard this as entertainment because it is not intended as such.

Mr. Mongrain: Think about the amusement tax.

Mr. Peddle: I have another pamphlet here from the C.N.R. which states:

> CN "traveliving" is travel fun. Whether you're going to the next town or across Canada, you can relax, sit back in comfortable, friendly surroundings and enjoy traveliving "the way of the worry free"—by CN.
>
> "Traveliving" means dollar-saving fares, fine food, good service, convenient schedules and hospitality . . . and the most beautiful scenery Canada has to offer right outside your picture window.

I might mention at this point that I took a ride on a train in Newfoundland recently.

They talk about looking out through the picture window. You could not look out the windows of that train because they have not been cleaned since confederation. You cannot see through the windows. This outfit from the day of confederation, when they whipped the linen off the tables and replaced it with little paper placemats, has deliberately downgraded the service. Now they are making a final move to withdraw it. I suggest that the people of Canada and the members of this house should not let them withdraw it.

Here is another little pamphlet entitled "Traveliving tips for milady from CN". It states:

> Have a wonderful trip, milady. CN hopes you will enjoy traveliving—"the way of the worry free".

This outfit will even take you to Paris, the Paris of North America, Montreal. This article suggests that Montreal is the second largest French speaking city in the world and then states:

> Not bad for a place that's just a few dollars away by CN. You'll enjoy getting there too.

I should like to point out that Newfoundlanders would like to go to Montreal too. We believe in biculturalism and bilingualism and everything else that will make this country one country, but we do not believe in moves like this which will divide this country in two.

Here is another clipping from a newspaper which says you can sleep overnight to Toronto. For the benefit of *Hansard*, it has six "z's". I do not know what that means but probably it means sleep. It then states:

> Take the Cavalier any night to Toronto and leave the "rest" to CN. Don't worry about hotel accommodation.

One article suggests that C.N. is the escape route. That is the route that this company has taken in Newfoundland. It is trying to escape.

I am not alone in my criticism, Mr. Chairman. Let me refer to the remarks made by Mr. J. A. McDonald who is the vice president, production, of the C.N.R., whatever that means. In a speech he made a few weeks ago he said he could not possibly concede the superiority of air transport over intermediate distances, 125 to 750 miles, and that anyone who has experienced the miseries of peak congestion on the most modern 12-lane highway would recognize that road transport is not capable of providing adequately for all the needs of the travelling public. That is what a top man in the C.N.R. said. I do not know what we in Newfoundland are supposed to accept but apparently we are supposed to accept almost anything. I have a picture of this 39-passenger bus with air conditioning and a lavatory.

• (3:00 p.m.)

However, Mr. Chairman, apparently there is not much that we can do about this situation. As I stand here today, I realize that the government of this country has the last say in a matter such as this. I appeal, sir, to the government and to every member of this house. I suggest that if they have any idea as to the meaning of confederation they will keep Canadian National Railways as Canadian National Railways and not as a railway that serves nine provinces in Canada while disregarding the needs of the tenth.

Mr. Carter: My main purpose in speaking on this resolution, Mr. Chairman, is to add my support to those of my colleagues who have already spoken. I should like to point out again to the house, and indeed to Canadian National, the terrible injustice that is being perpetrated by the government, by Canadian National Railways and by the Canadian Transport Commission in abandoning the rail passenger service in my province of Newfoundland. I regret that the Minister of Transport is not here, nor is his colleague the Minister of Defence Production. I hope this is not indicative of their lack of interest in this very important subject because in my province it is a very important subject.

In my maiden speech before this house I referred to the actions on the part of the three bodies I have just mentioned as being the great train robbery. I believe I pointed out that the recent great train robbery in Great Britain, which was given so much publicity, was designed and planned by a bunch of kindergarten children compared to the scheme that was prepared by Canadian National and others to rob Newfoundland of its passenger train service. I say "rob", Mr. Chairman, because this is exactly what has happened. Newfoundland has been robbed of one of its rights; it is being robbed of its rail passenger service.

The Newfoundland railway, as my colleague mentioned, was built some 70 or 80 years ago by the proverbial blood, sweat and tears of the people of Newfoundland. It was built, sir, at great sacrifice by the people of our province, at that time a colony. Since that time it has served our people well. It was built because it was to give our people an

opportunity to communicate and to move about more freely in the colony. The railway was a very important facility. I am alarmed that 70 or 80 years later, when we have become a part of this great Canadian nation, a decision has been made and has been upheld by this government and by the Canadian Transport Commission to abandon this vital rail passenger service in Newfoundland. Our province, as most hon. members will recall, is sparsely populated. We have a very severe climate and, I might say, lots of snow. I make this point because the Canadian National intends, as my colleague pointed out, to replace the passenger train service with buses.

I must say that my colleague, the hon. member for Grand Falls-White Bay-Labrador, did an excellent job of describing the type of bus, the air conditioning, etc. Can you imagine, though, buses travelling right across Newfoundland, a distance of some 600 miles, under the most severe conditions imaginable and sometimes through a barren wilderness stretching in excess of 100 miles where in many places you see no sign of human life. There would be 39 passengers, men, women and children, crammed in that bus plowing its way along the trans-Canada highway in Newfoundland. It must be recalled that our trains have been blocked by snow in that area for as long as 70 hours. This is not too bad on a train where you can move around, where you have a dining car and so on. However, can you imagine people being stranded on an ordinary passenger bus for that length of time? I am suggesting that this will happen as sure as we are in this house today. It might not happen this winter but it certainly will happen, and it will happen on many occasions.

God forgive me for saying this, and I do not wish anything ill for anybody, but I should like to see the president of Canadian National and the former member of this house, Jack Pickersgill, come to Newfoundland and take a ride on that bus. Again, God forgive me, but I would not mind seeing them stuck for a few hours. I know such a thing should not happen to anybody, but if there is anybody in Canada who deserves that to happen I would highly recommend to the man above that these two or three men should be given top priority.

Mr. Knowles (Winnipeg North Centre): Jack would not freeze; he jumps around too much.

Mr. Carter: Well, at $40,000 a year he can afford to jump around. I will give him credit for one thing; he knew when to leave Bonavista-Twillingate.

Getting back on a serious note, Mr. Chairman, I point out that while there may not be—this is debatable—a constitutional obligation on the part of the government to maintain our passenger service, in my opinion there is most definitely a moral obligation. In recent years in Newfoundland we have had a number of commissions set up to investigate transportation problems. There was the MacPherson commission on transport as well as the Newfoundland transportation commission. Both—I repeat both—recommended the upgrading of the rail service. It might be of interest to note, and I hope hon. members opposite will do so, that neither report recommended abandonment. I repeat that these two commissions, headed by highly qualified people, were well aware and quite familiar with the conditions that exist in Newfoundland and they recommended that the rail service be upgraded. They did not recommend that it be abandoned.

The irony of the situation is that, despite these royal commissions, the Canadian National has adopted the opposite policy. Some years ago the Canadian National deliberately set about downgrading the Newfoundland rail passenger service in order to discourage its use by the travelling public. Naturally this policy resulted in yearly losses, substantial losses some years. Of course, this fact was used to strengthen the argument of Canadian National in favour of abandoning the rail passenger service. The argument Canadian National is using is based on the fact that in 1966, I believe it was, Canadian National lost $916,000. This was a deliberate loss. If this is going to be the yard-stick C.N.R. will use in the future, then how many rail services will be allowed to continue? If I am wrong, I stand to be corrected, but I do not know of any service that is really making money. I am sure the loss of $916,000 on the Newfoundland service is not as heavy as other losses incurred on other rail services.

• (3:10 p.m.)

Canadian National's plan to steal our passenger service from us was a very well calculated one. Several years ago they commenced to downgrade the service, to take away from the Newfoundland people things to which we were accustomed. For example, we had a reasonably good dining car and, as

my hon. friend has mentioned, they replaced the linen with paper mats. This, I charge, was part of their over-all plan to incur losses with a view eventually to eliminating the service completely.

Canadian National's plan has been opposed by almost every Newfoundlander, with one or two exceptions. As I have already stated, the proposed action is contrary to the recommendations of two royal commissions on transport in Newfoundland. Almost every organized body in Newfoundland has objected to it. Our unions and our municipal councils have all voiced strong objection to the action of Canadian National.

The people of Newfoundland too are opposed to the withdrawal of rail passenger service, but their wishes are being completely ignored both by Canadian National and by the present government. I might inform this committee that dozens, even hundreds, of communities will be condemned to virtual isolation by this bureaucratic decision that has been taken in Ottawa. Let me inform the committee, the Minister of Transport and any other minister who is interested that, having removed itself from under the umbrella of colonial government, Newfoundland does not intend to become a colony of the bureaucrats in Ottawa.

I believe an hon. member has already remarked that rumours are rife here, but I heard a rumour that I am inclined to think has some foundation. It has been stated both publicly and privately that there was prior agreement between the present president of the Canadian Transport Commission and the Newfoundland government to discontinue our passenger train service. It has been alleged by a large number of people that in return for the federal government undertaking to assist substantially the Newfoundland government to complete the trans-Canada highway, our provincial government would not object to the elimination of the train passenger service. To the best of my knowledge, at no time has any member of the Newfoundland government, the chairman of the transportation commission, the Minister of Transport or indeed any member of the federal government denied this charge. Indeed, I will go a step further and here and now challenge the president of the Canadian Transport Commission, the premier of Newfoundland or any member of his government to answer the charge publicly by either admitting or denying it.

[Mr. Carter.]

In recent months the Prime Minister has paid lip service to the so-called just society and the elimination of regional disparities. I would therefore urge him and his colleagues to join the people of Newfoundland in their desperate fight to obtain justice and equal rights in the matter of our rail passenger service. I suppose I should not say this, Mr. Chairman, because my colleagues might not approve, but if the Prime Minister of Canada and his colleagues were to join the people of Newfoundland and were to restore to us that which is ours, they would become heroes in Newfoundland. I ask him and his colleagues to join us in our fight to retain that which is rightly and traditionally ours.

In view of the remarks of the Prime Minister in connection with regional disparity and a just society, I would ask him and his government this afternoon to take whatever steps are necessary to set aside the decision of the Canadian Transport Commission and to instruct Canadian National that, while they may be allowed to keep their buses running along the roads, they are not going to be allowed to discontinue their rail passenger service.

For the benefit of other members who perhaps are not too familiar with the terms and conditions under which Canadian National is allowed to abandon rail services, let me inform them that 39 passenger buses were introduced into service. These buses are to operate in conjunction with the rail passenger service until April next year. If the service is successful then the C.N. has the right to discontinue its trains and to operate with buses.

In all sincerity and honesty, Mr. Chairman, I ask whether this is a fair trial. Can we take the winter of 1969 as a forerunner of the sort of winter that we will have in 1970, in 1971, in 1972 and thereafter? It has even been the case in Newfoundland that there has been a mild winter with not too much snow. In those conditions it is quite possible that a bus service would be reasonably successful, that the buses would not get stuck on the trans-Canada highway for 70 hours, thereby sparing the president of the Canadian National and president of the Canadian Transport Commission the inconvenience and bother of being stranded.

As I say, Mr. Chairman, if the Prime Minister is sincere in his aim and desire to create a just society, to put an end to regional disparity, then I plead with him to instruct the Canadian National to run their buses and also to keep their trains running for another

ten years. Let us have a ten year trial. Over that period we would be able to form a pretty good idea how successful buses will be on that long stretch of the Newfoundland highway, a large part of which, as I have said before, is barren wilderness.

I beg the Prime Minister and his government to heed what I am saying and to listen to the Newfoundland people. Surely to God the Newfoundland people have some right to be heard in this respect. They built the railway with their own money long before Newfoundland decided to join Canada. Why should they not be allowed to keep it?

I am sorry that our Newfoundland minister, who has expressed such concern for the Newfoundland people on this question, has not shown his interest by being in the house this afternoon to take part in this debate. I am also sorry that the Minister of Transport, under whose department the Canadian National falls, is not here. I hope this is not indicative of their lack of interest in this very important and serious question that is confronting Newfoundlanders today.

• (3:20 p.m.)

I close, Mr. Chairman, by asking the government and the Prime Minister, consistent with what he has said about the just society, to take whatever steps are necessary to set aside the decision of the Canadian Transport Commission and to give Newfoundland the train service to which it is entitled. May I say that the tourist industry is extremely important to Newfoundland and is becoming more important. Between Newfoundland and the rest of Canada is a 90-mile stretch of water which, so to speak, is very expensive. There is a ferry service from North Sydney to Port aux Basques and Argentia and I might cite some figures in relation to it. A male tourist with his wife and two children wishing to travel from North Sydney to Argentia and back must pay $262. The fare for the same family to Port aux Basques is, I believe, in excess of $100. I seriously recommend to the government that it consider abolishing that fare or reducing it substantially. Why should Newfoundland be penalized because it is separated from the rest of Canada by this 90-mile stretch of water?

The Chairman: Order, please. I must inform the hon. member that his time has expired.

Some hon. Members: Continue.

The Chairman: Is that agreed?

Some hon. Members: Agreed.

Mr. Carter: I thank the committee. I reiterate my request that the minister seriously consider reducing the ferry fare from North Sydney to Port aux Basques and Argentia. This would help our tourist industry which is most important to Newfoundland's future.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, the things I should like to say on this resolution are not necessarily related to each other but they are all related to the general subject we are discussing this afternoon. Before this resolution carries I hope the parliamentary secretary to the Minister of Finance will answer some questions that are bothering me which have to do with the slight differences in wording that we find in this resolution compared with the wording of similar resolutions introduced on previous occasions.

The phrases in this resolution that give me cause for concern are those that refer to securities guaranteed by Her Majesty, to loans obtained in the capital markets, and so on. I notice that these references seem to apply with respect to assistance both to Canadian National Railways and to Air Canada.

Bearing in mind the information that has been given to us that a cabinet committee under the direction of the Minister without Portfolio, the hon. member for Winnipeg South, in studying the whole question of the ownership and operation of air lines in this country, I cannot but wonder whether these differences in the resolution forecast a change, the die for which may already be cast. I hope that is not the case and I hope the parliamentary secretary to Minister of Finance will say something to assure us on this point.

It is well known that some of us in this house have long been strong supporters of Air Canada, formerly Trans-Canada Air Lines, as a crown corporation owned by the people of Canada and operated for the service of our people. We do not like the suggestion that a change in the ownership of this corporation is even to be considered. I might as well be frank and say that we do not like the idea that a man with the connections the hon. member for Winnipeg South has had in the past has been given this assignment. He may have divested himself of his long string of directorships, but his statements in the past would not suggest impartiality on his part as between Canadian Pacific Airlines and Air

Canada, and I plead strongly that we not be presented one of these days with a *fait accompli* under which the people of Canada may have lost their complete and exclusive ownership of this important and valuable air line.

In the early days when we were setting up what was then Trans-Canada Air Lines and were trying to make sure that it would be given the oportunity to become the company it is today, I remember the late Right Hon. C. D. Howe entering the debate at one point, and although his remarks were directed at some of us in this group his words none the less are appropriate today. He said that he hoped to make Trans-Canada Air Lines, as it was then, strong enough to withstand the attacks of its enemies and the support of its friends. I hope the present Air Canada is strong enough to withstand the attentions, or intentions—if you please—of some of its friends in the Liberal party.

Because of these differences in the wording of the resolution I hope the parliamentary secretary to Minister of Finance will give us a statement. Indeed, I think the Minister of Transport and the Minister without Portfolio, the hon. member for Winnipeg South, ought to have been here today to speak on this resolution and on this aspect of the matter.

Some hon. Members: Hear, hear.

Mr. Knowles (Winnipeg North Centre): I welcome the applause which I take it applies not only to the wish that these minister were here but to the idea that public ownership of this air line should continue. I regret that there did not seem to be any applause from the Liberal side of the house.

Mr. Guay (St. Boniface): Hear, hear.

Mr. Knowles (Winnipeg North Centre): I am glad to see that the hon. member for St. Boniface and a few others have broken the spell and indicated they take the same position.

Mr. Mackasey: Perhaps the hon. member wants to know why I did not applaud his remarks. I did not particularly like his implication that the Minister without Portfolio from Winnipeg South could not act in an impartial manner with regard to any responsibilities given to him by the government. The words were not characteristic of the hon. member for Winnipeg North Centre. I do not think that type of implication ought to go unnoticed.

Some hon. Members: Hear, hear.

[Mr. Knowles (Winnipeg North Centre).]

Mr. Knowles (Winnipeg North Centre): The hon. member for Winnipeg South and I are personal friends and what I said was not easy to say. But I think that when a man has had long connections with a privately owned air line business certain things ought to be said. Let me put it this way. A better choice could have been made of a man to conduct an impartial survey of the question as to what should be the ownership structure of the air lines industries in this country.

• (3:30 p.m.)

My second point relates to a matter which was again the subject of questions and answers on orders of the day this morning, that is, the position of the maintenance and overhaul base of Air Canada in the City of Winnipeg. The statement the Minister of Transport made this morning had a certain ring of reassurance about it. He told us on his own initiative that the former prime minister, Right Hon. L. B. Pearson, had made certain commitments to the City of Winnipeg and that those commitments still stand. But how long will they stand before they are implemented? This is a serious matter for Winnipeg, both in terms of the economy of the area and in terms of the employment of those who work at the base.

Negotiations seem to be going on. There appear to be talks about selling the operation there to some private company. The unions are concerned, but I find it is difficult for them to get into consultation with respect to this matter. To me, it is a shame that this kind of thing can be dragged on for so long, while in the meantime employees are forced to move or take other jobs. It has reached the point now where, when some of us ask that the maintenance and overhaul base be retained in Winnipeg, our friends in Montreal get up and suggest we are trying to take something away from Montreal which they think belongs to Montreal. I thought it was our base, and I think the government ought to move more quickly to get this issue settled on a satisfactory basis.

I join with others in expressing the hope that the question of the presidency of Air Canada will soon be settled. The delay is unfair to those who are concerned. It cannot but affect the morale of those who are running Air Canada that this long delay should take place with regard to filling the post which was occupied for so many years by Mr. Gordon McGregor, and I hope action will be taken soon.

There is another subject to which I should like to make reference, while we are dealing with this resolution. I have already said that I think the Minister of Transport and the Minister without Portfolio, the hon. member for Winnipeg South, should be here. But at this point I wish the Minister of Finance were here too. I do not place any blame on the parliamentary secretary for piloting this resolution; it is one of the things he was asked to do, and it is one of the duties for which parliamentary secretaries are paid. But the reason I wish the Minister of Finance were here is because he wears several hats. As Minister of Finance he is responsible for policy related to the question of the pensions paid to retired civl servants. Hon. members know the many altercations and exchanges I have had with him over this matter.

The resolution before us is also in the name of the Minister of Finance and it relates, among other things, to the C.N.R. The same problem arises there, namely that there are thousands of retired employees of the C.N.R., a company to which we are constantly voting or lending money, who are on pensions which are utterly inadequate to meet today's living costs, utterly inadequate in the light of today's living standards. Hon. members need not be surprised if I find my way back to this subject under various headings time and time again, because I think it is just about the most important question we face in the whole pension field. Unless we do something to make sure that people who go on pensions will have their standard of living protected throughout the years they are living on those pensions, our whole pensions system will fall into jeopardy.

Answering some questions of mine in this area on October 7, as reported on pages 846 and 847 of *Hansard*, the Minister of Transport indicated that there are still 388 retired employees of the C.N.R. whose pensions are less than $25 a month; still 2,241 on pensions of $25 a month, and another 3,002 whose pensions range from $25 to $50 a month.

This makes a grand total of 5,651 retired employees of the Canadian National whose pensions are less than $50 a month. Yet despite the fact that these pensions are so low, nothing has been done in the years since these men went on pension to effect any adjustment in the amount paid to them. We have accepted the principle of pension escalation, in part, in the adjustment which is made under the old age security legislation and under the Canada Pension Plan. Several provinces have accepted it and other jurisdictions as well have done so. Quite a few private companies have done so—in most cases, it is true, when these matters are subject to collective bargaining, but not in all cases. Quite a few companies have accepted the principle that escalation has to be built into pensions so that the pensions might have some value in the years after those who draw them have retired. In the old days, when people retired at 65 or 70 and did not live very long afterwards, this problem was not so acute. Today, people are living longer and retiring earlier; costs and prices are rising more rapidly and thousands of people are left helpless as they watch the standard of living they enjoyed on retirement going down and down.

I submit that this is one of the most serious problems facing us in the pension field. We must start dealing with it somewhere, and that is why I wish the Minister of Finance were here today. There are two places where he can make a start. One is with respect to retired civil servants and the other is with respect to retired employees of the C.N.R.

The Chairman: I hesitate to interrupt the hon. gentleman, who is an acknowledged expert on the rules, but standing order 59(2) does say that speeches in committee of the whole house must be directly related to the subject under consideration. Possibly I missed the hon. member's point of connection during his remarks about this resolution, which is essentially a financing resolution, and if I have, I apologize. In case I have not, I would appreciate it if the hon. member would return to the substance of the resolution.

Mr. Knowles (Winnipeg North Centre): Well, Mr. Chairman, I had just about finished making my plea on this occasion. But I would not want to be out of order. It is bad enough trying to get a response, without finding oneself out of order, and I do not believe I am. May I point out that the resolution relates to the financing of the C.N.R., and that in this connection you have permitted discussion about running trains all over Newfoundland—or not doing so—the question of bus services, and so on. It seems to me the debate has ranged very far from the question of direct capital expenditure. This is a resolution by which we are making money available to the Canadian National Railways and if, at such a time, we can call upon the company to run trains in Newfoundland, or to redress other grievances, surely I have the right to appeal

to the government to take up with the C.N.R. this question of pensions paid to retired employees.

If you are satisfied, Mr. Chairman, that I am in order, I am prepared to leave the matter there in the hope that the Minister of Finance, his parliamentary secretary and others will take this matter up with the C.N.R. I still have the promise of the Minister without Portfolio, the hon. member for Winnipeg South, on this point. His last sentence in an adjournment debate on September 24, 1968, as reported in *Hansard* at page 441, was this:

> I can assure the hon. member for Winnipeg North Centre that the government will continue to consult officials of the railways concerning the position of pensioners.

• (3:40 p.m.)

All the things we propose to do under this resolution are important—the business of financing the C.N.R. and Air Canada, the business of capital expansion, the business of construction. But, Mr. Chairman, so are people important. They are important not only while working for the C.N.R. but afterwards, and I think something must be done for the pension position of these people.

[*Translation*]

Mr. Laprise: Mr. Chairman, I should like to make a few general remarks on the resolution put before us this afternoon preceding a bill which doubtless will be passed by the house.

I shall not dwell on the operations of the Canadian National but instead I will turn to the fact that we are being asked to vote a total amount of almost half a billion dollars to finance the Canadian National Railways. I notice that this resolution comes back almost every year to provide the funds required for the operation of our railway transportation system.

Mr. Chairman, I fully agree that we need a public transportation system in Canada, but I must express my disapproval of the way in which we are financing our own transportation system. I shall not criticize this afternoon the administration of the C.N.R., because, from the report we get each year from the company, I see that on the whole it is well run since, for the past few years, or at least since 1962, the company has managed to accumulate an operational surplus. However, a careful study of these reports, shows a rather substantial deficit for each year, in spite of that surplus.

[Mr. Knowles (Winnipeg North Centre).]

Mr. Chairman, this is due to the enormous debt of the C.N.R., which, in 1967, reached $1,800,000,000. In fact, in spite of a surplus of $29,200,000, the Canadian National still has a deficit of $35,900,000 after having paid $65,-100,000 in interest on its debt.

Mr. Chairman, I say that if Canadian National has to present us with a report showing a debit balance, this in part is not due to its operation or administration, but rather to the poor administration of the government which has not been able to finance or to set up its own railway company on a sound and profitable basis.

In the annual report of the Canadian National for 1967, we can read at page 23, just at the beginning of the comments, and I quote:

> For Canadian National, as for Canada as a whole, 1967 was a year of pride in past and current achievement and of strengthened confidence in the future.

Mr. Chairman, we can be proud of that judgment concerning our railway system, but I think that we cannot be proud of the way in which it is administered and of the expenses it involves for the government.

If I look at the page concerning grants, I note that during 1967, we have paid $63,100,-000, that is the estimated cost of interest on the debt of the Canadian National Railways. This is what I am driving at, Mr. Chairman. I wish to urge the government to find another method of financing that crown corporation. By so doing, it would not be compelled each year to return with such a motion asking us to vote the necessary estimates. For example, a sum of $75 million is mentioned to pay certain bonds; in fact, a loan is being asked to pay a debt which is due and I feel that will not settle anything.

One of the suggestions which I want to make at this stage of the consideration of the resolution is to ask the government to consider another method of financing that crown corporation which, in short, belongs to Canadians, so that it will not show a deficit on account of its financing system. I am suggesting to the government to study carefully the proposals the Ralliement Créditiste has been making in this house since 1935 and I am sure that they will give him the solution which will enable Canadians to be proud of having a transportation system which is making money and serving all of Canada. When that happens we will no longer hear complaints such as those made this afternoon by the hon. members from Newfoundland who

were right to complain. I think, Mr. Chairman, that the whole problem of our public transportation system is due to poor financing by the government.

I do not think it is too late to solve this problem even though we paid, in interests only, during the last 25 years almost the present amount of the debt. In the last 25 years, we paid, according to the report presented to us, an amount of $1,275,499,000 in interests. If the Canadian National had been financed according to the method advocated by the Ralliement Créditiste, the debt would be almost paid up. The government would not have to come back every year, as I said earlier, with resolutions as the one now before us. I think that the government should seriously consider other methods of finding a solution to this problem.

[*English*]

Mr. Lundrigan: Mr. Chairman, without saying another word it is quite obvious what the sentiments of the committee are as to the adoption of the resolution. This resolution relates to the financing of the Canadian National Railway, and reads in part:

> That it is expedient to introduce a measure to authorize the Canadian National Railway to make capital expenditures including investment in securities of affiliated companies in the calendar year 1968 not exceeding in the aggregate $264,400,000—

And it goes on to refer to more millions of dollars, and more millions of dollars.

It is my understanding that this annual resolution is not usually debated. I issue notice right now that, from this time on, until there is rectification of the present injustice in relation to an eastern railway, we will see plenty of debate on anything which comes before the house that relates to the C.N.R. in any way, or indeed to the whole area of transport. We are all aware that we need hundreds of millions of dollars to keep the C.N.R. going. Therefore parliament needs to give consent. Through the Department of Transport we have allocated quite a bit of money to keep Jack Pickersgill and the boys alive. We understand they are experiencing great difficulty.

• (3:50 p.m.)

I think Mr. Jack Pickersgill might be able to get through this winter on the $40,000, or perhaps that figure has increased. I rise on this resolution because I think we have an oxymoronic situation. I see that the hon. member for Gamelin is leaving when I make this statement. It is not a nasty word: The emphasis is not on "moronic"; it is on the fact that it is a great contradiction that we are debating here today. This is a resolution which means that the Canadian government will have to appropriate several hundred million dollars for the operation of the Canadian National Railways. We are here today with the knowledge that the C.N.R. experienced a deficit of $35.9 million in 1967. We are here today with the awareness that one of the provinces of Canada is to lose its railway, the cost of which, even with all the padding referred to by the hon. member for Grand Falls-White Bay-Labrador, are less than $1 million. To me this seems to be a very contradictory situation. With this kind of logic, God knows we are for hard years ahead in the Canadian economy as a whole.

Not too many weeks ago, in supporting a question asked by the hon. member for St. John's East, I posed a question to the Minister of Transport asking him why we were going to lose our railway. I asked why the rail service was not being abandoned in British Columbia, Ontario, Nova Scotia, or in any other province of Canada. As has been reported already today, the minister said that he was very sorry about what was happening. The reason for the abandonment, he explained, was the increased cost of transportation by rail. I then asked him when we would get plans from the Canadian Transport Commission, to be ratified by the Canadian government, for the abandonment of rail passenger service throughout the whole of the country. In Newfoundland last year, even with the padding, we experienced a deficit of less than $1 million and in Canada the deficit was $35.9 million. Using this logic, there is absolutely no place in the Canadian nation for the Canadian National Railways services.

It is not an argument but rather a logical question to ask why the Canadian National Railways should not be abandoned right across Canada. Naturally we do not subscribe to this kind of thinking. I do not believe any hon. members would subscribe to this kind of thinking, because we know there is a need for this great service across the country. When we specify service, I think the Postmaster General is aware that by the very nature of the term there is an implication that it will cost the Canadian taxpayers some money.

There have been two significant developments in the field of transportation and communications in the last two years. I have in mind the abandonment of the Canadian

National Railways passenger service in Newfoundland and the appointment of Jack Pickersgill to the Canadian Transport Commission at a salary of $40,000. I contend that there is a high degree of correlation between the abandonment of the rail passenger service and the salary of one of the highest paid civil servants in North America.

I should like to point out two or three reasons for my rising to speak here today on this resolution. I feel the government is increasing the geographical malnutrition that is being suffered by the people of the Atlantic region. The general principle of having the rail passenger service abandoned in Newfoundland is to me sufficient to take exception to, in the circumstances. The idea would seem to be that if there is something to be experimented with it should be tried on the east coast. Only this morning we sat in this chamber and heard the Minister of Transport say that he was awaiting some briefs from the people of the Atlantic region because the government of Canada was not as aware of many of the problems of the Atlantic region as are the people down in that region. I hope the minister did not mean to imply that the government of Canada is not as sensitive to the needs and problems of the area as it is to those of other parts of Canada. I am sure he did not mean that.

I believe it would be to the benefit of both the minister and the government of Canada if the minister were here today to hear some of the arguments presented by the members of this house in an attempt to enlighten the people of Canada and the members of the house concerning some of the problems that are faced by the people in the Atlantic region. We have certain problems and we know that the governments and the people in these areas perhaps have more awareness of them. Therefore, I think the sentiments of the people of Newfoundland should be borne in mind when decisions of the nature of the decision in respect of the C.N.R. are taken. Briefs have been presented, people have testified. People have demonstrated throughout the whole of Newfoundland in protest against the abandonment of the C.N.R. To my knowledge there has not been one dissenting voice in the whole of Newfoundland to our stand that the C.N.R. should retain the rail passenger service. We have not heard from the person who used to be a great premier of Newfoundland; we have not heard from him at all. There must be something radically wrong when an agreement which obviously has been made is not brought to the attention of the house.

[Mr. Lundrigan.]

The economy of Newfoundland will suffer because of the abandonment of the C.N.R. The rail passenger service not only stimulates the economy but, especially if it were upgraded, would greatly boost the economy through a tremendous increase in tourist and trade development. There in the community of Bishop Falls, in my district with 2,000 people, this is the only source of income. This community will disappear off the face of Newfoundland and off the map unless the C.N.R. assumes its responsibility and takes issue with this particular stand. It is not the C.N.R., perhaps, but rather the government of Canada that would have to take such a stand.

As my friend, the hon. member for Grand Falls-White Bay-Labrador mentioned, there obviously is some kind of a scheme between the "Joe" and the "Jack" of Newfoundland. There is obviously some kind of agreement of which the Canadian people are not aware. Is it not amazing that just at the time when Jack Pickersgill is getting his $40,000 we are to lose our rail passenger service? It would seem to me that there is no reason for this other than to try to justify the "in-pocket", the income, of Jack Pickersgill. If we are to create this kind of bureaucracy, then it becomes necessary to curtail services somewhere in Canada and it would appear the thinking is that the best place to do this is on the Atlantic coast. There obviously is something wrong.

Pressure has been put on the premier of Newfoundland, who hung a black flag from the confederation building not too many years ago when an issue was at stake. Then he came to Ottawa. Our friend Mr. Gwyn, now the executive assistant to the Postmaster General, will remember the conversation he had with the premier when Joe Smallwood travelled to Ottawa. Black flags were flown and the citizens of Newfoundland wore black at that time. But we have not heard one word from the premier of Newfoundland about this present kind of action. Also we still see the gracious person proceeding through the halls of this House of Commons sporting his $40,000; but we do not hear a single word from him about the great injustice.

• (4:00 p.m.)

All hon. members who have been here for some years are aware of what sometimes happens in politics, and that political plans sometimes result in making decisions which affect the economies of areas. I contend that there has been one great scheme that we do not know much about, although we can suspect

the nature of it, which has resulted in our losing our rail passenger service. Across Canada there has been tremendous expansion in many ways with regard to rail passenger service. There is the Alberta Resources Railway, the Great Slave Lake Railway, the Ontario commuter service, and in a bill which will come before the house there is an item for the expenditure of more than $50 million in respect of rail lines. This expenditure of Canadian National Railways has been financed jointly by the federal and provincial governments, mainly by the federal government; yet we have to suffer the loss of a vital service on the basis of less than $1 million.

We do not have a Canadian Pacific Railway to fall back on. We do not have the commuter service that they have in and out of Toronto. We do not have the large, luxurious railiners that the hon. member for Grand Falls-White Bay-Labrador mentioned today. We have one lonely, little piece of rail going across 500 miles of bog, barren land, forest and field in Newfoundland. We have one little railway which transports a considerable number of people and is not doing much damage to the Canadian economy. As a matter of fact, it is a great stimulus to our provincial economy. Our rail passenger service has been allowed to go downhill so much in the last year that Oliver Goldsmith would have been reluctant to include it in his Deserted Village.

Some hon. Members: Hear, hear.

Mr. Lundrigan: Conditions in some of the way stations and stations generally across Newfoundland would not compare favourably with conditions during the Alaska gold rush, because the rail service in Newfoundland has been allowed to really go downhill. An hon. Liberal member is interrupting me again. Obviously he has not a railway in his constituency. I would like the hon. member and a good many other Liberal members in the house to stand up and speak on this issue, because they will be faced with the same kind of decision making if they are not careful. I believe a number of hon. members of the Liberal party are prepared to speak on this issue, and we hope they are given the opportunity to support us in our endeavour.

Mr. Bell: They have not realized it yet.

Mr. Lundrigan: We have way stations, bystations and transportation conditions acrosss Newfoundland that are unbelievable. In the last two years things have been allowed to deteriorate and go downhill. It is amazing that people have used the service at all. I have been writing letters for months on this subject and have received very little response from people with responsible positions in the Canadian National Railways.

The amazing thing is that Canadian National has tried to kill the service; but with regard to every little station across the island one could, if you presented the statistics—which I would if I had time today—prove that the service is being used more than ever. Despite the fact that the service has been allowed to go downhill, people on the island, and tourists, are using the service. Despite the lack of service, it is being used to a greater extent than in the past. Last year for example it was used to a great extent. If one reads the annual report of the C.N.R. he sees that the contention is that the service was used more last year because it was centennial year. But the service has been used to an even greater extent this year, and this is not centennial year. I have never in my life heard an argument presented by a group of individuals representing a company such as that presented by the railway in support of its contention.

It is unfortunate that the Minister of Transport is not with us today. However I beg his colleagues to bring this debate to the attention of the minister. I hope he will make a statement in the house on this question and will check up on what is happening in Canada with regard to rail transportation. A commission on railway costing conducted a study in the province of Manitoba and considered presentations of 3,000 pages. If one were to read in detail excerpts from the report it would be difficult to realize how an agency responsible for providing a basic service could still exist in Canada, with our present code of ethics and attitude toward providing these services.

A member of the Manitoba branch line retention association indicated that, with the present rail costing method used by Canadian National Railways, almost any line could be made a candidate for abandonment. There is no trouble justifying this statement if one is able to go into detail. I beg hon. members opposite and colleagues of the Minister of Transport to implore the minister to take issue with what has been happening in respect of transportation and communications in Canada.

We have great faith in the Minister of Transport. We have little faith in other people connected with transportion. I have heard a number of people referring to Jack

Pickersgill as still being the minister of transport. It is my understanding that Jack Pickersgill created a position which would rid him of the responsibility of that portfolio. I hope the Minister of Transport will take issue with the situation and will not allow "Sir" Jack to exercise the kind of authority he is noted as having exercised through the years.

In conclusion, Mr. Chairman, I say for God's sake let the Minister of Transport stand up and play his part as a great Canadian in dealing with this issue. Let him use the power given him in section 53 of the Railway Act, which empowers the minister and his colleagues to set aside or rescind a decision of any body with delegated power, such as the Canadian Transport Commission. For God's sake let the Minister of Transport take issue in this regard, set aside this decision and rectify the injustice perpetrated upon the people of Newfoundland.

Mr. Osler: Mr. Chairman, I think the resolution we are considering, item No. 24 on the order paper, should be passed by the house. These two great Canadian corporations require money and should be given it by the house. By and large they serve the Canadian people well. I have been very much interested to hear the regional beefs of the Newfoundland members. We in western Canada have somewhat similar beefs with regard to regional situations about railways of both denominations, as it were. However, I do not wish to speak about that matter today.

As the member for Winnipeg South Centre, I am convinced that my constituents would not want me to try to block the passage of this legislation. We are good Canadians; I believe we should do things to improve Canada's future. Obviously, as I say, the two corporations covered by the resolution need this money.

I do not think this afternoon should pass without reference being made to the second part of the resolution, which deals with Air Canada. Air Canada needs a considerable amount of money, $130 million and $75 million. I suggest to the government that while it might be fine for Air Canada to keep their aeroplanes in the air as much as they can, the appointment of the president of Air Canada should not be kept in the air any longer than it has to be. Major policy decisions, such as the one that bothers me and the people in my constituency, should not be left in the air either. Basically, we have had in Winnipeg an air base that is employing approximately 700 people at the moment. One can multiply that figure by two, because most of these employees have wives, and by two or three more because most of them have children. Therefore one could say that a great number of people are being kept in the air each hour of every day and night. Some of them are getting ulcers. Some of them are becoming worried and depressed because of this situation. I can vouch for this, Mr. Chairman, because I have spoken to them about the problem.

• (4:10 p.m.)

There was some suggestion that an effort be made to maintain the overhaul base at Winnipeg, but that it was economically impossible to do so. I do not believe in parliamentarians meddling in the affairs of crown corporations to the detriment of the efficient service they provide the general public. However, I do think it is a shocking thing that Air Canada has been allowed to say one thing and do another, and this is exactly what is happening today.

Air Canada has an overhaul base in Winnipeg that is being bled to death. The 700 people employed there are not working full days. They know this and so does everyone else. At the same time in Montreal there is a situation where the employees are working overtime and much of the work is being subcontracted. It does not make sense that in Winnipeg the workmen are not given the dignity of being allowed to put in an honest day's work, so the country as a whole can get an honest dollar's worth of work when their is work to be done.

If this base at Winnipeg is really not of any use, for God's sake why does not Air Canada say so, and shut it down? I have seen no factual figures that would indicate this, but I challenge Air Canada to do this and the government of Canada to accept its reasoning. I am a member of the government party and I will vote for the bill which will follow this resolution, because we in Winnipeg are not small minded about the needs of this country.

This government has been saddled with the Pearson pledge, and I warn members that the unions are going to put up placards and bills all over the city repeating that pledge, if the government reneges on it. Mr. Pearson said that this base would be used until at least 1973, and that the government had no intention of allowing the airport itself to be diminished in any way. Obviously, if it is not to be diminished either Air Canada or a substantial substitute, such as Douglas or Lockheed—some company that knows what it is

doing—will have to take the place of Air Canada. From what I have seen, nothing is happening. I do not blame the Liberals any more than the Conservatives, because this has been a festering sore since 1948. I cannot allow the opportunity to pass without bringing the fact to the attention of the government that this is a festering sore for which 90,000 people in my constituency will blame the government, if it is not healed.

Now that Air Canada has come with hat in hand asking for $130 million, and another $75 million, politicians have a justification for meddling in the affairs of this crown corporation. I think it should be made abundantly clear to Air Canada that it has a duty to Canada as a whole, within the context of an air policy. It should be made clear that Air Canada cannot ignore Mr. Pearson's pledge, and that pledge has not been changed by any government or by the dirty infiltration that is taking place daily. This is the time for the government to speak up to Air Canada.

I will vote for this measure on the assumption that the government will have the good sense to do something now about this situation.

Mr. McGrath: First of all I want to say how grateful the Newfoundland members of parliament are for the very kind and generous remarks of my colleague, the hon. member for Oxford. Notwithstanding the words we have said in the house today, which have been met with a certain amount of derision, laughter and humour, this does not in any way take away from the seriousness of the problem we are trying to outline to the house, at least so far as it affects the province of Newfoundland.

In that context, I consider it a matter of personal regret, as I am sure do the people of Newfoundland, to note the absence of the Minister of Defence Production who is our minister and our representative in the government of Canada. It is a matter of great disappointment to my colleagues that he did not show enough interest in this subject, which is on the lips of everybody in our province, to be in the house this afternoon.

I also note with regret the absence of the Minister of Transport. We had hoped he would be in his place today and that he would pay some attention to our plea. Obviously he must have anticipated this because we have been in constant touch with him since the election of June 25, by way of written communication, verbal communication and questions in the house.

The second day of the sitting of this parliament I directed one of the first questions to the government, specifically to the Minister of Transport, and it related to this subject. My colleagues have referred at some length to the terms of the union, and the hon. member for Grand Falls-White Bay-Labrador quoted from term 31, which is what we might call the railway term. I should like to quote briefly from an order in council passed on April 1, 1949, P.C. —1514, which was a result of the terms of union. As a result of this order in council the governor general in council entrusted to the Canadian National Railway the operation and management of the Newfoundland railway. This order in council reads in part:

> Therefore His Excellency the Governor General in Council under recommendation of the Minister of Transport is pleased to order that effective April 1st, 1949, the Newfoundland Railway including rights of way, wharves, drydocks and other real property, rolling stock, equipment, ships and other personal property the title to which is vested in His Majesty, be and they are hereby entrusted in respect of management and operation thereof to the company on the terms in the Canadian National Railways Act expressly specified, namely that such management and operation shall continue during the pleasure of the governor in council.

Both terms 29 and 31 leave no doubt in the mind of any objective observer as to what was intended. It was intended that the Canadian National Railways was being handed the Newfoundland railway in trust for the government of Canada to be operated by the C.N.R. for the people of Newfoundland and the people of Canada.

It is rather interesting to note that at the time of the hearing of the Canadian Transport Commission in St. John's there were a number of briefs presented on behalf of those who opposed this intention—the application of Canadian National Railways to discontinue the rail passenger service in Newfoundland. Among those who appeared before the commission was a cabinet minister representing the government of Newfoundland. He stated at that time that it was the opinion of the government of Newfoundland that the Canadian National Railways should continue to provide rail passenger service, that they should only be permitted to operate a bus service simultaneously with the rail passenger service, and that a trial period of several years should be permitted. The minister representing the Newfoundland government—the minister of justice, a senior member of the cabinet—suggested at that time that any alternative service inaugurated by the railway, a bus service, should be one that would

discharge properly its responsibility or those of Canada to the people of Newfoundland as contemplated by the terms of union between Newfoundland and Canada.

There is no doubt what the minister had in mind. He was referring to the terms of union which have been referred to by my colleagues and to which I have briefly alluded. The minister was advocating, on behalf of the Newfoundland government, that neither Canadian National Railways nor the government of Canada had the right to discontinue rail passenger service. However, we wanted to be fair about it; we did not want to hang our rights on a legalistic argument. We were prepared, as reasonable people, to allow the railway to prove to us conclusively that a bus service would be more efficient and would, in fact, be accepted by the people of Newfoundland.

• (4:20 p.m.)

In order to do this, the Newfoundland government suggested to the commission that between the time of the inauguration of the bus service and the fall of 1970 the railway should maintain regular train passenger service. The minister, in summing up his evidence before the commission, stated that the province of Newfoundland feels it should not be required to accept, and these are his words, "a pig in a poke". In other words, the province of Newfoundland should not be required to accept some vague suggestion on the part of Canadian National, using it as a form of subterfuge to get out of their responsibility as the agency of the government of Canada at the time the railway was taken over in 1949.

I find very interesting this particular brief presented to the commission by the six Newfoundland members of parliament who were sitting in the last parliament. The new Minister of Defence Production, the hon. member for Burin-Burgeo, was included amongst the six. This brief was presented by the then member for St. John's West, Mr. Richard Cashin. The brief stated that Canadian National Railways should demonstrate by experience rather than by opinion—I subscribe to these submissions—that the bus service is workable and does, in fact, constitute a definite improvement over the existing train service. Mr. Cashin felt, and he was speaking for his colleagues at the time, including the hon. member for Burin-Burgeo, that this could only be accomplished by operating the two schemes concurrently for a period of five years. He felt that only in that way could you prove the merits of the one over the other, and only in that way would the railway have the opportunity of gaining the necessary experience in operating a bus service across Newfoundland.

At the time, he also made the suggestion that the railway give consideration to operating a diesel rail dayliner. This suggestion was dismissed out of hand by the railway as being too expensive because of the large capital outlay involved. Mr. Cashin presented his brief to the commission with his usual eloquence, and was speaking for himself and his five colleagues. He felt that the trial period was essential in order to ensure that Canadian National Railways would provide what, in essence, was a more effective service and prove they could maintain this service under the weather and highway conditions which would prevail in Newfoundland.

I was rather interested to find, Mr. Chairman, and I am sure my colleagues were, that the Minister of Defence Production, the hon. member for Burin-Burgeo, sang a different tune when he joined the treasury benches and became a member of this government. I am referring to his remarks during the throne speech debate, which can be found at page 282 of *Hansard*. At that time he supported the abandonment of rail passenger service in Newfoundland, and supported it with the type of eloquence for which he is famous.

Now, Mr. Chairman, what happened to make him change his mind? Well, that is subject to opinion. Apparently the Minister of Defence Production now sees the situation quite differently, from the treasury benches, than he did when he was a private member of this house. I find it difficult to understand why the Canadian Transport Commission, with a haste that is certainly not characteristic of a tribunal hearing such an important brief, should make this decision. After all, we are not dealing with a spur line or a branch line; we are dealing with a provincial railway covering the province of Newfoundland. Why was there such haste in handing down a decision? It is rather interesting to note that the decision was handed down only after the election on June 25.

A great deal has been made of the operating deficit Canadian National incurred in maintaining the passenger service in Newfoundland. My colleague referred to this. The Canadian Transport Commission, during the course of its hearing, and in its report, referred to this deficit, but referred to it for

only one year. I find this rather intriguing, rather interesting. The commission only referred to the year 1966; this is the only year for which we have any statistics. The deficit in that particular year was $900,000.

My colleague, the hon. member for Gander-Twillingate, has referred to this. I am not going to repeat his argument because I do not believe $900,000 is that much, especially in view of the fact that the hon. member for Grand Falls-White Bay-Labrador said the railway carried 90,000 passengers that year. We are denied, however, the same type of statistical information for the years 1949 to 1966 inclusive. I should like to know, if we are to have the figures for 1966, why we could not have them for 1964, 1965 and so on.

While we are on the subject, I should like to see a comparison of that deficit with the deficit of Canadian National Railways in the province of Prince Edward Island. Surely it is reasonable to suggest that the Canadian National does not operate at a profit, and certainly not the rail passenger service in the province of Prince Edward Island. I should like to know also about the deficit in Nova Scotia in respect of providing rail passenger service. How much was the deficit incurred by Canadian National in operating rail service in the province of New Brunswick? I could go right across the country. How many rail passenger services in this country operate at a profit? Why single out the province of Newfoundland?

Well, Mr. Chairman, I suspect a little bit of skulduggery; I suspect a little collusion. This has been referred to by my colleagues. The government acted in this way in the province of Newfoundland because they thought they could get away with it. Indeed they felt it was politically expedient for them to do so. I submit to the Canadian National, through you Mr. Chairman and whatever minister in the house is answering for Canadian National, that this railway would not dare abandon the rail passenger service in Prince Edward Island because they know the government of Prince Edward Island would object so strenuously they would not get away with it. I further submit the government would not dare abandon the rail passenger service in the province of Nova Scotia for the same reason, or the province of New Brunswick for the same reason. However, the same criteria could be used, the same argument could apply. Anyone who looks at the map of Prince Edward Island will be able to see readily that the Canadian National rail line carrying passengers across that island parallels the highway. However, we did not hear of Canadian National abandoning their passenger service in favour of a bus service in Prince Edward Island.

• (4:30 p.m.)

They know they could not get away with it. The same argument would apply in Nova Scotia. Anyone who has travelled from Yarmouth to Sydney knows that the trans-Canada highway parallels the railway all along. Do we hear of the Canadian National Railways applying to the transportation commission to abandon their rail passenger service in the province of Nova Scotia and to substitute for it a bus service? No. The same applies in the province of New Brunswick. I am not too familiar with western Canada, Mr. Chairman, but I would suggest that the same argument applies to the western provinces as well.

Therefore I come back to my question: Why pick on Newfoundland? Why deprive us of what is the right of every other Canadian? I do not think it unreasonable to say—and this is the sum total of our argument—that until the government and its agency brings in a general policy of abandoning rail passenger service right across the country, we in Newfoundland will oppose this measure with all the strength that we can muster.

I also hope, Mr. Chairman, that we will have an opportunity to question the officials of the C.N.R. about this matter. I would not want to be unreasonable; we genuinely want answers to our questions. I should like to question the Minister of Transport about the suggestion that there was a deal between the government of Canada and the government of Newfoundland, which was on a political hook in that it was committed to completing the trans-Canada highway in two years but did not have the wherewithal to complete it in ten years. It is said that the government of Newfoundland told the federal government that if it would get them off that hook and agree to complete the trans-Canada in Newfoundland, the Newfoundland government would acquiesce in any move the federal government might make to discontinue the railway in Newfoundland, as a result of which it would probably save $1 million a year.

We should like answers to these questions, Mr. Chairman. Newfoundland became a province of Canada in 1949. The parliamentary secretary need not smile at that; I am not talking about ancient history but about 20

years ago. Perhaps he will remember that. When Newfoundland became a province of Canada in 1949 it had a first class railway system, albeit a narrow gauge railway but one which at least provided service to our people. The railway was taken over by the Canadian National, as was their responsibility to do, whereupon they embarked upon a deliberate policy of downgrading the service. This was because they looked upon the people of Newfoundland as one big "Newfie" joke. It is a big Newfie joke, Mr. Chairman, because in actual fact that laugh is on us at this particular time.

Although we cannot present statistical facts to support our argument, we nevertheless contend that from 1949 onwards Canadian National set out upon a deliberate policy of downgrading our passenger service and discouraging people from using it, as a result of which it was able to present arguments to the effect that the service was no longer justifiable.

There is one difficulty, Mr. Chairman, about this alleged deal to complete the trans-Canada highway; the highway in Newfoundland does not measure up to trans-Canada standards. The road goes from one end of Newfoundland to the other, 600 miles of narrow highway which I submit is one of the most hazardous highways in the world. As my hon. friend from Grand Falls-White Bay-Labrador said so eloquently, there are stretches on the highway where you can drive for 100 miles and not even find a logger's shack; where there is no sign of human habitation; where the winter conditions are the most severe in the world; conditions in which even the Canadian National Railways have experienced trains being stuck in the snow for days, 70 or 80 hours not being unusual.

I hope the president of the C.N.R. accepts the invitation put forward by the hon. member for Oxford and takes a trip across Newfoundland on a bus in January. I should like to see him joined by Mr. Pickersgill, the chairman of the Canadian Transport Commission. I should like to see the Minister of Transport, who is not in his seat today, also take that journey. I say the same of the Minister of Defence Production. And just for kicks, Mr. Chairman, I also include the premier of Newfoundland. Can you conceive in your mind's eye, Mr. Chairman, that motley group being stuck in the wilds of Newfoundland in the midst of a January blizzard! Words fail me to describe to you what might possibly come out of such an incident. Perhaps, Mr. Chairman, if that were to happen—and I say this in all sincerity—they would not be so anxious to proceed with this plan to deprive us of what we feel is our right as Canadian citizens.

[Mr. McGrath.]

The position of the province of Newfoundland has been stated by a senior member of the Newfoundland government, a man billed as the major rival of the Minister of Defence Production to take the throne and wear the mantle of Joey. What did this man say to the commission, Mr. Chairman? His position was to the effect that any alternative service inaugurated by the railway should be one that would properly discharge its responsibilities. In effect, he said that until such time as the railway could conclusively prove that a bus service would discharge the responsibility that was assumed under the terms of union, the government of Newfoundland was opposed to the submission made by the C.N.R.

I should also like to quote the words of Mr. C. Woodward in the report of the commission, in which it handed down its just judgment. These can be found at page 13 of the report, where Mr. Woodward said:

> To sum up in a few words the feelings expressed in these briefs—

Here he is referring to the brief submitted in opposition to the railway's application.

> —it would seem to be: Do not treat us, the people of Newfoundland, as second class citizens of Canada by forcing upon us a second class system of passenger service.

I subscribe to those words, Mr. Chairman, and I only regret that the Canadian Transport Commission did not subscribe to them.

The Chairman: Order. I regret to inform the hon. member that his time has expired, unless it is the will of the committee that he continue his remarks.

Some hon. Members: Agreed.

Some hon. Members: No.

The Chairman: The hon. gentleman must have unanimous consent to continue his remarks. Has he unanimous consent? The hon. member for St. John's East.

Mr. McGrath: Might I suggest to those who hesitate to give me unanimous consent, Mr. Chairman, that there but for the grace of God go they. Their province might be next.

The Canadian Transport Commission, in summing up their report, also summed up the essence of the opposition that was presented

by the people of Newfoundland. I should like to quote the words of the acting chairman of the commission and these are his words, not mine:

> We as the youngest province in the confederation are entitled to treatment equal to that given the other provinces.

Second class citizens we will continue to be, Mr. Chairman, if we settle for less than equal treatment. As I said at the outset, Mr. Chairman, if we permit Canadian National Railways to embark piecemeal upon a program of abandoning their rail passenger services, and thereby the responsibilities of the government under the terms of union to provide such service to Newfoundland, then we are allowing ourselves to be treated as second class citizens. I repeat that I hope I will have the chance to direct questions to the officials of the Canadian National. After all, perhaps this is the beginning of a five year program, even a ten year program, to abandon rail passenger services all across Canada. I say to the committee that until it becomes the general policy of the government to permit Canadian National Railways to abandon passenger services all across the country we in Newfoundland will not—I repeat—will not permit ourselves to be used as second class citizens in this matter or in any other matter before this house.

• (4:40 p.m.)

Before resuming my seat I ask the President of the Treasury Board to give hon. members of this committee who are vitally interested in the subject an undertaking that when the estimates of the railway are being considered we shall have a chance to examine officials of the Canadian National with respect to this matter and other matters which vitally interest us. The absence of the Minister of Transport, the Minister without Portfolio who is responsible for the Minister of Transport, and the Minister of Defence Production, from Newfoundland, have been noted. Under the circumstances I do not think it unreasonable to ask for this undertaking.

Mr. Macdonald (Rosedale): Perhaps I might say a word on this matter, Mr. Chairman. There has been quite a bit of talk this afternoon about the Canadian Transport Commission. I point out to the hon. gentleman that the estimates of that particular board have already been referred to the transport committee. The estimates of the Department of Transport were not referred, at the request of the opposition, and are still before the house. I will give an undertaking on behalf of the Minister of Transport that, by way of reference of the estimates of the forthcoming financial year or by way of reference of the financial report of the Canadian National, the hon. gentleman will have an opportunity to consider these questions in the committee, and an opportunity to examine senior officials of the railway.

Mr. Harding: Mr. Chairman, the topic I shall stick to closely has to do with the erosion of passenger service in British Columbia. I listened with interest to hon. members from Newfoundland and the Atlantic provinces who complained about the erosion of transport facilities in their provinces. Our problems seem common. The problems of British Columbia to a greater or lesser extent are found in every province of this country.

I know the railways can always come before the Board of Transport Commissioners and present a pretty good case. I have engaged in several protests to the board and government over the abandonment of services, since it seems that over the years there has been a deliberate erosion of the service and the accommodation offered by various companies in this field of transport. This erosion is continuing.

It is simple for one of our national railways to make out a good case for the abandonment of a certain line. We saw that happen in the case of the Kettle Valley line in the Kootenay country. I will not spend much time on this.

Mr. McIntosh: We have already heard a great deal about the Kettle Valley Railway.

Mr. Harding: I'll bet you have. Passenger service has been eliminated because the company in question greatly reduced the services which the public could obtain. First the sleeping accommodation went. I ask, who wants to travel for a day and a half without some kind of sleeping accommodation? Then the dining car service was taken off. Then, at stopovers, passengers had to get off the train and go to a hotel.

What was the result? After one or two years of this sort of thing the company went to the Board of Transport Commissioners with a bleak revenue picture saying, "Look, we can't make any money on this line. This is what's happening." I submit such a policy has been deliberately followed, and is continuing.

I will now protest the quality of service we are obtaining on our trans-Canada lines. The worst offender is the Canadian Pacific. The

Canadian National has at least made an attempt to modernize and upgrade its service. But anyone seeking to go out west on one of the national lines will have great difficulty in obtaining sleeping accommodation. Reservations must be made two or three weeks in advance. Often you are turned down and, in desperation, you seek some other mode of travel. Neither the Board of Transport Commissioners nor this government apparently realizes what is going on when companies ask to have services discontinued. I know of instances where people who could not obtain accommodation on train had as a last resort to take an airplane, a bus or their own car. I can therefore understand the complaints which have been raised, since it seems that other provinces are having the troubles our own province suffers from.

I suggest that rail passenger service has a future in this country. Many people like to travel in a leisurely way and see this great country. If they were assured of reliable service, and accommodation at all times I am sure we should see a sharp upward trend in the number of passengers using trains. The people of British Columbia have never been too happy with this country's national transport policies. Nothing needs to be overhauled so much in this country as our national transport policies, which direct our various systems of transportation. Perhaps I might be permitted to speak of freight rates. The people of British Columbia feel that in the matter of freight rates they are grossly disciminated against. The tendency has been for British Columbia trade to be driven north or south, and particularly south, rather than to the east. Many Canadian markets are barred to products from British Columbia because of the excessively high freight rates charged.

• (4:50 p.m.)

It seems to me this is one of the first markets which any government should look to and encourage. I know that the province has gone to the federal government and to the Board of Transport Commissioners on numerous occasions with good cases for freight rate assistance, and the need for changes in the old freight rate structure. This is a field in which the house should be keenly interested.

I want to point out that once passenger service lines are abandoned, abandonment of the freight lines is often the next step. This has happened in the area from which I come. Passenger service is discontinued, then comes an application to discontinue freight services to the rural areas. The first thing we know is that a number of small rural industries go out of business. Here we are talking about an incentive program to build up the regions where there is a low level of income and employment, without fully realizing that one of the keys to the whole situation is transportation. If we are to build up industry in some of our rural sections, transportation is one of the keys to a successful program.

I urge the government to take another look at transportation as it affects the rural areas, because this has been overlooked in the past and it is bound to affect our efforts to encourage industry to locate in some of these less favoured areas, in order to bring a higher standard of living to those who live and work there.

Time is drifting on, and there is one more point I should like to make before I sit down. It concerns the air service to the Kootenay country. This is another example of the erosion of transportation services in some sectors of this nation. C.P.A. presently serves the Kootenay area and there is talk of withdrawing service from the Castlegar district. I presume this will apply to the Okanagan, and perhaps, to the east Kootenays, too. If such action is taken, smaller companies will no doubt move into the district; but in the overall picture our transportation facilities are gradually being reduced and this reduction is bound to have detrimental effects on the area. I suggest to the house that this whole question of air transport, rail transport and road transport be looked into with a view to modernizing the system. These services can be integrated to a far greater extent than they are today.

It seems a tragic thing to me that Canada should have two transcontinental railways, each having trouble getting a sufficient volume of traffic to make its operations pay. Often we see the companies operating fleets of trucks in direct competition with their own rail lines. Often we see highways clogged with trucks carrying goods which could, quite possibly, be carried by railway waggons which are operating only at half capacity. This subject should be explored fully by the department, by the government and by this house. Surely we can improve on what we have.

There are a number of separate questions I should like to ask later, when another opportunity arises. I certainly sympathize with hon. members from Newfoundland and elsewhere who have spoken about the problems they are

experiencing in connection with transportation. The government should do something about it.

Mr. Baldwin: I intend to make a few observations to back up what my hon. friend from Newfoundland has had to say, but before I do so I want to put a proposition before the committee, if this committee is capable of being propositioned. It may well be that before six o'clock arrives we can dispose of the resolution and then, by agreement if necessary, dispose of second reading and get into committee in order that the hon. member who has just spoken, and others, may be able to ask questions on the individual clauses. I am putting this forward as a suggestion. Possibly hon. members might give it some thought.

I support in every respect what hon. members from the province of Newfoundland have said. I come from a country where the railroads have been essential. It is through the construction of the railroads that the breath of life was injected into a new land. The tapestry of our country was brought together by the threads of the narrow bands of steel which came from Edmonton into the north. But within the last year and a half an application had been made to close the rail passenger service on about 500 miles of our system. So I appreciate the difficulties encountered by my hon. friends.

I might add that this service has not been operated by the C.N.R. alone; it is a joint operation between the C.N.R. and the C.P.R. They are lying down in the same bed, and I am sure the hon. member for Winnipeg North Centre will think that it is not to the advantage of the C.N.R. to do so—that the C.N.R. will not rise as pure as it was before it lay down with the C.P.R.

I first went into my part of the country almost 40 years ago, and what hon. members from Newfoundland have said about the quality of the railway there reminds me of the experiences we had. I remember taking a trip almost 40 years ago—getting up after the train had left Edmonton and looking out from the back of the train. As I did so, I saw the track and the ties spring upward as they were released from the weight of the train. So much for the type of construction. I remember, too, that when the waters of the Lesser Slave lake were in flood they had to tie the track to the telegraph poles to prevent its floating away.

I remember the type of construction, the grades, the curves. There is an interesting story told about those days. At one time members of the railway unions operating in the north were intent to secure positions on the railway going into Fort McMurray. Positions on this line were sought almost as eagerly as was the job of toll operator on the Jacques Cartier bridge some years ago. The reason was that the grades were of such a nature that approaching these curves in the wilderness it was possible for the engineer to get out, lay a trap line across the neck of the curves and meet the train coming out the other side. Then on the return journey the fireman would get off, pick up the pelts caught in the traps and rejoin the train. It meant a very lucrative job, so much so that some of the running trades did not need the pensions about which the hon. member for Winnipeg North Centre has been talking.

• (5:00 p.m.)

I wish to support in every way I can the very reasonable, logical and impassioned pleas made by the hon. members from Newfoundland who, in an honest and impartial way, outlined the conditions which prevail in that province, and the great need to have the railway service sustained. If they speak as eloquently to the committee which will be examining both the estimates and the C.N.R. officials, I am sure and hope the government will give effect to their request that this service be maintained. I am sure I speak on behalf of all members in this party in assuring unanimous support to the Newfoundland members in their reasonable plea that this particular railway passenger service be sustained until a fair opportunity has been given for a try-out.

Mr. Gray: Mr. Chairman, members of the committee have raised a number of very important matters linked with the transportation policy of the country. Coming from a part of Canada which is often considered somewhat remote I can understand the concern expressed by some members with respect to changes in operations of our railway system. Concern about such changes has been expressed in my area in the past. On a number of occasions I myself have expressed concern in this chamber about some of the freight rate policies of our railways.

I am glad to echo the words of the government house leader when he pointed out that further opportunities will be available to continue this discussion on the issues that have been raised in perhaps a more focussed and meaningful way, particularly the discussion

with respect to the abandonment or elimination of passenger service in Newfoundland. I refer to the reference that will be made to the transportation committee of the annual report of the C.N.R., or something analogous to that. I also refer to the reference already made by the house of the estimates of the transportation commission to this standing committee, and I refer also to the opportunity that will be made available to hon. members when the estimates of the Department of Transport will be before us in committee of the whole.

While there has been some latitude in today's discussion, actually we have been looking at a resolution designed to permit the house to give first reading to a bill similar to other bills of the same nature introduced in preceding years, to give authorization to the government to guarantee certain obligations of the Canadian National Railway and Air Canada and to authorize them to carry out certain types of capital expenditures, and so on.

Some questions have been raised relating more strictly to the terms of the resolution itself. Making use of the offer made by the house leader of the official opposition I suggest that we might pass this resolution, so that we can move on to first and second reading of the bill based on it. Thus, when we get into committee of the whole on that bill, we will be able to examine its clauses in detail, and I shall attempt to the best of my ability to deal with these questions raised with reference to the resolution and the bill.

The Acting Chairman (Mr. Richard): Shall the resolution carry?

Mr. Gleave: Mr. Chairman—

Some hon. Members: Oh, oh.

Mr. Gleave: I am sorry to bore the people opposite, but then you know I too am sometimes bored by them. One of the members from Newfoundland has asked what about western Canada. The member from British Columbia who spoke gave some indication of what is happening in western Canada. A similar pattern of curtailment of service is evident on the prairies.

Agents are being removed from stations, and the result is poorer service. We are faced with proposed rail line abandonments. In my constituency one concerns a railroad which runs 70 miles north from Biggar to the town of North Battleford. Another concerns a line running about the same distance from east to west along the North Saskatchewan river. If these abandonment plans are carried out, that whole triangle will eventually be left without rail transportation.

Farmers will have to haul their produce anywhere from 30 to 35 or 40 miles. One may say that might not be any great hardship on them, but it means that municipal roads will have to be built and maintained to a standard that can stand the movement of heavy duty trucks. Ordinarily municipal roads can stand the movement of comparatively light farm trucks, but when one thinks in terms of trucks carrying upwards of 20 tons, then better road beds will have to be built. This means that local residents who pay the property taxes will have to bear the cost of building the extra roads.

When we argue against the abandonment of rail lines we are told that it is not economic to maintain the rail service. In the name of plain common sense is it good economy to abandon a railroad which can move bulk produce out of an area, and be forced to build roads to a standard that will move the same bulk produce? Yet this is the kind of economics which it is suggested we should accept in a great area of western Canada.

A question was raised in the house more than a couple of weeks ago about the managers of a potash plant in east central Saskatchewan who want to hire a fleet of trucks to move potash, a bulk product, south a distance of 200 miles across the United States border to a point where United States trains would start to haul it. How absurd can we get, as a country, when these sorts of things are proposed? Some of us talked to people at the potash company and they informed us that the rail freight on potash is $9 a ton. I have no way of knowing whether or not this is profitable to the railroads, but I suspect it is profitable because this is the rate they have set for the potash companies. The railroads move potash out of Saskatchewan to tidewater on the west coast, or alternatively a great deal of it goes south into the United States which is a large customer for Canadian potash. So, we have the situation where a main potash producer, one of the first to get into production in western Canada, is now proposing to move a bulk product like that by truck. Therefore I believe we should seriously consider not only the balance sheet but also the matter of how well we are serving the industries and the people who live in this region. After all, this is the reason the railroads were built. They were built to serve Canada as a nation, and of course to make a

profit for those who invested their money in the railroads. Surely these two reasons still exist. I do not believe that the need to make money has become the only end we should keep in mind.

• (5:10 p.m.)

Surely the type of service that was needed at the beginning to make us effective and competitive in the markets of the world is as important now as it was then. In the beginning, at least in western Canada, the whole basic design was to maintain an east-west flow of traffic. In fact in the original plans for the prairies there was a definite decision that we would not allow the building of any more north-south lines leading into the United States, but rather that the traffic would be east-west to move manufactured goods into western Canada and to move out whatever was produced there. In other words the considerations were profit, a sound economy, service to the people and a service for the industries and the things the people produced. I believe we should still have these things in mind if we are to have a viable economy, and if the railroads are to serve the people.

I do not intend to talk about passenger service, that has been well covered. I do want to make a plea, however, for a rational transportation system that will move the potash, the grain and the other things we produce efficiently and cheaply to where they are to be sold.

Resolution reported and concurred in.

Mr. Macdonald, Rosedale (for Mr. Benson) thereupon moved for leave to introduce Bill No. C-124, 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, 1968, to the 30th day of June, 1969, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and by Air Canada.

Motion agreed to, bill read the first and second times, and the house went into committee thereon, Mr. Richard in the chair.

The Acting Chairman (Mr. Richard): House in committee of the whole on clause 2.

On clause 2—*Définitions.*

Mr. Bell: Mr. Chairman, you surprised me by calling clause 2. I suppose that is correct. I had intended earlier this afternoon to speak along the lines followed by other hon. members, but when I saw the mood of the house and an indication that we would make progress I thought I would hold back my remarks until we reached the committee stage.

Of course, this is a routine financing bill. It is similar to those of other years, although there certainly is a great deal of new money being requested and some new ideas contained in it. I believe we should have some indication concerning the position of Air Canada. I am not necessarily speaking about the new appointments that may be made. I realize it probably would be proper to do so, but I do not believe this is the moment to go into that. At this stage I should like to ask what is happening in respect of the particular survey that was conducted into the possibility of Air Canada being made a public company. Also I would be interested to hear what the investment people who were consulted had to say about this possibility.

Without becoming involved in all the problems of Air Canada, I think I am in order in asking just what may be expected in so far as Air Canada is concerned. I realize the hon. member for Oxford had something to say about this this afternoon, and I believe he said it very well. I would like to have some indication of what can be expected so far as the financing of Air Canada is concerned, and whether it is to go public. What did the investment people who were consulted have to say about this; were they optimistic? I have been a member of the committee on transport and communications for a number of years. I am also one of those who believe that Air Canada should be given an opportunity to stand on its own two feet and be a separate entity, and that it should not be attached to the C.N.R. in the way it is, in respect of financial matters I would be grateful for a reply in this regard.

Mr. Gray: Mr. Chairman, all I can say in this regard is that if the bill is adopted by the house, in addition to authority for Air Canada to borrow $75 million from the C.N.R., Air Canada will have authority either to go to the market for an amount up to $130 million or borrow this amount indirectly from Her Majesty. This bill will give that option to Air Canada. I am not in a position, however, to say exactly how and to what extent this will be used.

Canadian National Railways

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, since I understand that the authority that is being given to Air Canada to borrow money in the market is new, can the parliamentary secretary say whether there is any relationship between this new authority and the study that is being made by a special committee under the chairmanship of the minister without portfolio.

• (5:20 p.m.)

Mr. Gray: Mr. Chairman, I am not in a position to say that. This bill merely extends the flexibility of Air Canada with respect to its financing. I am informed that if any change is to be made in the status of Air Canada, it must be done through parliament with parliamentary approval.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, could we be told whether this is the precursor of a change?

Mr. Gray: Mr. Chairman, I understand the interest of the hon. member in this question but I am afraid I cannot assist him by saying that, or anything further than I have said.

Mr. Knowles (Winnipeg North Centre): I realize the limitation that may face the hon. member because he is only a parliamentary secretary; but could we receive an assurance about this at some point, even if it is on third reading, by a minister? It seems to me it is not without reason that I ask for this kind of assurance.

Mr. Gray: Mr. Chairman, I will be happy to look into the possibility as to what, if anything, can be done with regard to the hon. member's request. At the moment I can only repeat what I have said, that the changes in the ownership status of Air Canada would require, I am informed, parliamentary approval, and that the authorization being asked for in this bill is with respect to a broader and more flexible means of financing for Air Canada—I may add, more flexible financing for Air Canada in the corporate structure which it now has.

The Acting Chairman (Mr. Richard): The hon. member for St. John's East.

Mr. McGrath: Mr. Chairman, my question is not related to this subject, so if another hon. member has a question on the subject perhaps he should be given the floor.

[Mr. Gray.]

Mr. Crouse: Mr. Chairman, I should like to pose a question to the parliamentary secretary. Could he elaborate on the $75 million required by Air Canada, and the use that will be made of it? It is my understanding that Air Canada is today rather frustrated because of the way the 1966 Pickersgill aviation policy has worked out internationally. I believe the company feels it has been frozen out of all international growth and it has been planning a major push to try to convince Ottawa that it must change the rules in order to allow it to fly into the Middle East, Africa, India, the coast of South America to Rio, and in due course around the world.

This is certainly desirable, and I am somewhat concerned that to date the government has not been able to appoint a president of this organization. This of course has resulted in corporate morale tumbling, if you will, to perhaps the lowest level within the corporation. This is not desirable in an organization of that size. Therefore, Mr. Chairman, I wonder whether the parliamentary secretary can elaborate just a little more on the future of Air Canada.

I agree with the hon. member for Saint John-Lancaster that Air Canada should stand on its own two feet. There is no reason, in my view, why it could not be a separate corporate entity and in this way make an even greater contribution to development in this country. But as long as we have this impasse wherein the Minister without Portfolio has been asked by the Prime Minister to determine whether there can be a corporate growth plan in which Canadian Pacific Airlines and Air Canada can be amalgamated, we are bound to continue having these frustrations within the management of Air Canada. I wonder whether the parliamentary secretary could throw a little more light on this subject and give us a better idea of exactly what is happening in this very important section of our transportation industry.

Mr. Gray: Mr. Chairman, the hon. member first of all asked what use will be made of the $75 million. Basically, it is for capital expenditure to supplement the self-generated funds arising out of the operations of the corporation. I believe the capital budget of Air Canada has been tabled in the house in the form of an order in council and is therefore publicly available. I would also say that the request in the bill to parliament to authorize this type of capital expenditure, and so on, should not, I think, really create any concern one way or

another. While one cannot say that this request will not preclude the possibility of further change, the bill is not making any change in the capital structure, form of ownership or management of Air Canada.

Basically, the bill is for the purpose of providing funds for capital expenditures, and if necessary for current operating expenditures of Air Canada in its present form, so that it may carry on what most people consider to be a very effective job in the interests of Canada.

Mr. Forrestall: Mr. Chairman, would the parliamentary secretary be good enough to indicate to the committee whether the authority we will be approving has in way been used to date? In other words, have moneys been raised on the private market through the issue of debentures, securities or whatever other instruments Air Canada might choose?

Mr. Gray: I am informed that Air Canada has not before this had recourse to the private market. It has not had the authority to do so. It will have that authority only if the bill obtains the approval of the house.

Mr. Bell: Mr. Chairman, I appreciate that the parliamentary secretary has said he cannot give us a complete answer as to what is planned for Air Canada with regard to it becoming public. However, I wonder whether the parliamentary secretary can give us any information—I notice that the President of the Treasury Board is present—as to whether any studies which have been held into this question, about which we are all concerned, show optimism in so far as concerns Air Canada being able to go its own way as a separate entity. Is it not a fact that some of the investment experts who have been involved in this question have said pointedly, in a pessimistic way, that there would have to be a considerable time lapse before the company would be in a position to put forward a complete balance sheet and the like?

I ask this question without going into the matter of the bond market in Canada having a problem at the present time, for reasons that will be unfolded next week. Can any of the ministers present, or the parliamentary secretary, tell us what in general terms has been the thinking about Air Canada going its own, separate way?

Mr. Drury: Mr. Chairman, the hon. member will appreciate that this is a rather complicated question with a great deal of importance given to value judgments. A number of opinions have been expressed, not all unanimously. Indeed, had the view been simple and unanimous, the answer would have been revealed a considerable time ago. It is because there is a lack of unanimity and the problem is a difficult one to resolve satisfactorily that the necessary time is having to be taken to make sure we get the right answer.

I do not think it would be helpful if I were at this juncture to try to, in effect, produce a graph of temperature changes of these studies. I hope the hon. member will be patient and wait until the final assessment is made.

• (5:30 p.m.)

Mr. Bell: Mr. Chairman, I thank the minister for giving us at least that information. I ask the minister whether he can say that the general intention is to carry forward with a plan of bringing Air Canada into a fully competitive position with Canadian Pacific Airlines, and allowing it to have some sort of public image. While the details are difficult and the time may not be appropriate, certainly there is some agreement that we should proceed in an attempt to modernize Air Canada and give this company an even break. We should assist the officers of this corporation, regardless of who becomes president, who want to stand on their own feet and look to the future in a proper way. Perhaps this can be done by adopting an appropriate accounting and research system. I do not mean to imply that there is not a proper accounting system, but I am sure the minister will admit that there has been a particular type of operation.

If the minister made such a statement or assurance this might place those of us who have fought for many years to see that Air Canada gets an even break in a good frame of mind. This is particularly important in view of the inroads made by Canadian Pacific into the air business in Canada. Will the minister say that he personally favours Air Canada going public, or does he share the general feeling that this should be attained at some time in the near future?

Mr. Drury: The hon. member has very considerable knowledge of the problems facing Air Canada. In the space of a couple of

minutes he has reorganized this corporation from top to bottom and has asked me whether I agree with all the steps of his reorganization. I can only say that his statement is a little too comprehensive for me to agree with completely. I would hesitate to express a personal view now as to whether Air Canada should, to use his terms, go public. If a view was given it might be an uninformed one. The purpose of the studies now being made is to obtain an informed opinion. I am sure the hon. member would not want me to put forward something off the top of my head. This would serve no useful purpose other than to communicate my prejudices.

Mr. McGrath: Mr. Chairman, I hope my question will be in order. It has relation to a question I placed on the order paper and an answer which was given on October 30, to be found at page 2201 of *Hansard*. My question was:

> What was the cost to Canadian National Railways for providing rail passenger service in Newfoundland for each year from 1949 to 1967 inclusive?

I will not read the minister's answer in its entirety, but in essence he refused to answer the question. The company took protection from the Railway Act, section 314 (3). I must confess that I have not read that, but I find it difficult to understand why this information should not be made available to members of the house. The government pulled one statistic for one year only, 1966, and the minister referred to that in his answer. He referred to an operating deficit of $918,000. My question is, why is this information not available to members of parliament.

Mr. Gray: Mr. Chairman, I can understand how this information is considered to be of some importance by the hon. gentleman. Let me suggest that the most effective vehicle for him to pursue this matter is the standing committee on transport and communications, which will take up the annual report of the C.N.R. The senior officials of the C.N.R. are customarily present at that time. I am sure this is a very effective way of raising these matters. At that time the hon. member will be in a very good position, I hope, to get satisfaction.

Mr. Thomson (Battleford-Kindersley): Mr. Chairman, I understand that this financial measure in respect of Air Canada is an interim one. It is not a proposal to re-capitalize the corporation or anything like that. If the government decides that Air Canada should go public at some time in the future, will we have an opportunity to look at this matter again?

Mr. Gray: Yes, that is certainly correct. This bill does not involve anything in the way of recapitalization. It is designed to permit something that is done annually; that is to say, the authorization of steps required to provide Air Canada with the capital funds and if necessary amounts for operating deficits. I believe these have not been necessary recently.

Mr. Thomson (Battleford-Kindersley): There has been some discussion in the house in respect of the Roberts Bank situation, having regard to Canadian and United States transportation in Canada. Some suggestions have been made as to whether we should haul potash in Canada by Canadian or United States railroad companies. There has also been a great deal of coverage in the press about container shipping. Does the government have an over-all transportation policy which might cover this matter? Does it have any one plan or idea, or does it intend to deal with each issue at it arises?

Mr. Gray: The hon. member has raised a very important topic. May I suggest that this bill is not designed to afford an opportunity for general discussion on transportation policy. If I were in the hon. member's position I would take advantage of the opportunity provided by a debate on the estimates of the Department of Transport. This will take place in this house in the committee of the whole and they will be piloted by the Minister of Transport. The hon. member will have the opportunity then to go into this matter in detail. Perhaps he will want to pursue this topic when the estimates of the transport Commission are referred to the standing committee, or when the committee is considering the annual report of the C.N.R.

While I am not in any way trying to imply that the point raised by the hon. member is not important—because it is—at the moment we are looking at something more limited in respect of the transportation question, and that is the financing of the operations of the C.N.R. by the Canadian government.

Mr. Thomson (Battleford-Kindersley): I accept the minister's statement. I should like to raise another matter dealt with in the

following question placed on the order paper by the hon. member for Moose Jaw:

1. Who holds the existing C.N.R. bonds and where are they located?

This is question No. 542 on the order paper.

Mr. Gray: Mr. Chairman, let me refer the hon. member to the annual report of the Canadian National Railways for 1967. He will see there a rather detailed table under the heading "Long term debt". This gives the various issues of bonds, their rates, maturity, currency in which they are payable, the amount outstanding, transactions in the year 1967 and the amount outstanding at December 31, 1967. I do not know whether he really want me to put all this detail on record or prefers to look at it himself, together with the hon. member who raised the question. In any event, the detail as to who holds these bonds is very difficult to give specifically, since they are so widely held. I think the detail which would be responsive to the question asked can be found at page 34 of this annual report.

Mr. Baldwin: Mr. Chairman I have a very simple question for the parliamentary secretary in relation to securities that may well be issued in respect of Air Canada and the C.N.R. Will he give an undertaking respectively, individually or collectively that the same degree of accuracy would prevail in a prospectus about securities sold as in connection with government issues sold earlier this year.

Mr. Drury: I think I can give the assurance that the usual high degree of accuracy in prospectuses will obtain.

Mr. McGrath: Mr. Chairman, I am sure the parliamentary secretary knows of our interest in this matter of the annual report. Can he indicate more precisely whether he is referring to the 1967 annual report being referred to the committee? Would he indicate when it will be referred, because the committee on transport and communications at the present moment has nothing referred to it. That committee would like to proceed with this matter as soon as possible.

• (5:40 p.m.)

Mr. Macdonald (Rosedale): If the hon. member will look at today's order paper commencing at page 8, he will find there a list of the referrals to the various committees. In particular, on page 9, there is a reference to the fact that the estimates of the transport commission have been referred to the standing committee on transport and communications. I point out, as I pointed out a few minutes ago, that it would have been the government's intention to have referred the estimates of the Department of Transport to the standing committee on transport and communications. However we did not do so, at the request of the opposition, who asked that these estimates be left in the house.

As to the explicit time and which of the annual reports, the past one or the one to come forward in the immediate future, will be referred to the standing committee, I can perhaps only say that this can be and will be a matter for discussion with the house leaders of the other groups. But I can say that I have given my undertaking a reference will be made or, if hon. members prefer, perhaps the estimates could be the vehicle to carry such discussion.

Mr. McGrath: May I just say, Mr. Chairman, that I stand corrected by the house leader, although I am half correct in assuming that to date nothing has been sent to the committee. Although I am not a member of the committee, I have been watching it carefully. I should like to say that, in so far as the specific area in which I am interested is concerned, the abandonment of the rail passenger service in Newfoundland, it is said that this is scheduled to take place on April 1 of next year. Conceivably, unless we get some specific time allotted for an examination of the Canadian National on this matter, we could be talking about referring the annual report to the committee some time next summer. This is the reason I am specifically interested in the time, because the matter is an urgent one so far as we are concerned.

Mr. Macdonald (Rosedale): In answer to the hon. gentleman, I may say that the committee has met and set dates by arrangement with the co-ordinating committee. I would think the proper course would be for the committee to deal with the present order of reference, that is the revised estimates 1968-69. After that time, which will certainly be some considerable time before April next, the appropriate order of reference could be worked out with hon. gentlemen opposite. Then, as I have said, the senior officials of the company could appear and be examined.

Mr. Lundrigan: I have a very simple question. Has the Canadian National, to the

knowledge of the parliamentary secretary, abandoned any rail passenger branch lines in Canada this year? This is a beginning question.

Mr. Gray: Perhaps the hon. member would pose his other question while I inform myself.

Mr. Macdonald (Rosedale): Perhaps I could add to my previous answer at this point. I understand that the estimates of the Canadian Transport Commission have been referred to the standing committee, and of course they will have to be dealt with before the end of this part of the session. At that time of course the chairman and other individuals on the commission will be appearing before the standing committee. While I do not know the Transport Act too well, I think it would then be germane to raise all aspects of this rail line abandonment question.

Mr. Bell: There is some doubt in my mind as to a previous answer given by the parliamentary secretary. Am I right in understanding the parliamentary secretary to say that if there are new plans for Air Canada in the ways we have been talking about, then new legislation would come before parliament? However, in so far as the bill with which we are now dealing is concerned, there are some new sections as compared with the bill in other years.

Mr. Gray: It is, I suggest, a matter of interpretation whether or not you consider the changes in the bill in respect of Air Canada, considerable or new, as the hon. member has said. It is my understanding of the bill that no changes whatever will arise out of it with regard to the corporate structure, management and so on, that Air Canada basically has. The bill enables Air Canada, in its present structure, without prejudice to what, if anything, may come forward in the future, to go directly to the market or borrow directly from Her Majesty in the right of Canada for its financing needs. I hope I have clarified the matter sufficiently for my hon. friend.

Mr. Bell: As I understand it, every year we have had what we have called the Canadian National financing bill. I admit that in other years it has gone through in a routine way. I recall one or two occasions when the opportunity was taken to bring forward current matters, such as has been done today and done very well by hon. members from Newfoundland. I merely want to be assured that this bill is, in every respect, the same bill as the one which has been brought forward in other years for this financing. If it is not, I want to know what sections are different, what extra authority is being requested. It is quite simple.

If the bill is the same as last year, then I am happy and I will sit down. I have made my point about my hopes for the future, and the new plans that may be made for Air Canada. I merely want to know if the bill is even slightly different from previous years, and if the parliamentary secretary will tell me the clauses that are different and why they are different.

Mr. Gray: I would say it is exactly the same, Mr. Chairman, as in preceding years, except that there are two changes to which I alluded in my remarks at the resolution stage. First, the bill would authorize Air Canada to go either directly to the market or to borrow directly from Her Majesty a sum up to $130 million. Second, it provides for a blanket authorization to the Canadian National to spend for the construction of branch lines up to $16 million. If the hon. member wants the exact clauses, perhaps we could wait until we come to them in our consideration and I would be happy to accommodate him.

Mr. Bell: In other words, the parliamentary secretary confirms the fact that there is in this bill a step toward some independence for Air Canada, at least in so far as financing is concerned. However, if a giant new move for a separate Air Canada were to take place, then new legislation would be forthcoming.

Mr. Gray: It is my understanding that if the changes contemplated in the remarks of the hon. member were to be decided upon, new legislation would be necessary. I am not sure whether I am in a position to confirm or indeed comment upon a step to be taken. It is a matter of interpretation. I am not saying I agree or disagree with the interpretation.

Mr. Bell: Has the parliamentary secretary not said that this year Air Canada can go separately to the money market, which as I understand it they have not been able to do?

Mr. Gray: Perhaps I could just deal with the point made by the hon. member. This authorization would only be until June 30, 1969 and would cover a total of $130 million. So, I perhaps could say in the terms suggested by the hon. member, that there is a broadening of the way Air Canada can operate, since it can now go directly to the money market.

Mr. Lundrigan: The question I asked the parliamentary secretary was, in effect, whether any rail passenger lines have been abandoned. Perhaps the question would be much easier to answer if I had asked whether any complete trans-provincial passenger lines have been abandoned in Canada?

Mr. Gray: The information I have available to me, Mr. Chairman, is that there has not been such an abandonment. Perhaps my hon. friend would really know more about this than I would, directly, being from the province concerned. Applications have been made with respect to abandonment, but it is my understanding of the law under which the transport commission operates that until the commission disposes of an application the rail line continues to operate.

Mr. Lundrigan: Obviously the answer is that there has been no abandonment of any trans-provincial rail line in Canada. My next question is, does the Canadian National, the knowledge of the parliamentary secretary, plan to abandon any complete trans-provincial passenger rail line?

Mr. Gray: Not so far as I have knowledge of the matter. Again I suggest the hon. member might want to place this question directly to the officials of the Canadian National when they are before the transport committee, when that committee considers the annual report of the company.

Mr. O'Connell: I should like to ask the parliamentary secretary the size of the equity presumably held by Canadian National in Air Canada? How much common stock is owned by the government? I have a second and related question: What is the nature of the $75 million invested in Air Canada? Is it in the nature of bonds or debentures or is it, in fact, in additional common stock?

• (5:50 p.m.)

Mr. Gray: Mr. Chairman, to deal with the second part of the question first, I believe the nature of the investment of the $75 million is in the form of bonds and debentures. In answer to the first part of the hon. member's question, a perusal of the annual report shows that the equity of shareholders in Air Canada is in the amount of $5 million and is completely held, I am informed, by the C.N.R.

Mr. Lundrigan: Mr. Chairman, I should like to ask the parliamentary secretary whether he is prepared to make a statement to the house at some time, perhaps now, as to the cost of operating rail passenger services in the various provinces of Canada. We are already aware in a general way of the $35 million odd deficit of the C.N.R. on its rail passenger services, and it would be interesting to find out what is the situation across the nation, with a breakdown province by province.

We have already seen a very good argument presented by the transportation commission for the abandonment of one rail passenger service in Canada. We are anxious to find out what it costs the Canadian people in the various provinces so that we have some understanding of the decisions being taken in this regard.

Mr. Gray: Mr. Chairman, I regret I am not in a position to give such an undertaking and I strongly recommend to the hon. member that he make use of the several other means of parliamentary inquiry, such as the standing committee, which we have already discussed earlier in these proceedings.

Mr. Lundrigan: Could the parliamentary secretary through his officials give some indication of the revenue of the C.N.R. in the matter of passenger service this year? Last year, it appears from the little document of which we all have a copy, general revenue was up by $16.4 million. There is an indication throughout the annual report of the C.N.R. for 1967 that the reason for this increase was largely centennial year. We are not able to get statistics, but it is our feeling as a result of many conversations had with railway personnel in particular parts of Canada that there has been a great increase this year in rail passenger travel.

The auditor's report and the annual report both admit that one of the major reasons for the increased revenue was promotion by the C.N. of improved services in all parts of the country. Consequently one would think that if this policy is adhered to across the whole dominion an increase in revenue in every part of Canada could be anticipated. Could we have some reaction as to revenue from rail passenger services for the current year?

Mr. Gray: Mr. Chairman, I understand it will not be possible to make such information available until it is provided to the government in the annual report which will be presented by the C.N.R. However, it may well be that when the senior officials of the C.N.R. appear before the committee the hon. member

could ask them whether they could give him some indication as to what is likely to be in their annual report.

Mr. Lundrigan: One last question, Mr. Chairman. We are a little disappointed that the personnel is not available to assist us in answering our questions today, but we have to compliment the parliamentary secretary for his very brave efforts in trying to deal with these questions.

I should like to quote a statement that appears at page 6 of the annual report of the C.N.R. for 1967:

> If the commission decides that an uneconomic passenger service or branch line should be maintained in the public interest, the railways will be compensated, in whole or in part, for losses in respect of each specific operation.

Is this Canadian National policy, and is it reflected in the decisions of Canadian National Railways throughout Canada?

Mr. Gray: I might inform my hon. friend that this statement appears to be a summary of the provisions of a law that was passed by this parliament, the National Transportation Act. Therefore it would be the obligation of the government to carry out the provisions of the act in the terms set forth in the C.N.R. annual report from which the hon. member quoted. The quotation is a summary, by whoever drafted the report, of the provisions in the National Transportation Act that was passed by this parliament.

Mr. Lundrigan: Would my hon. friend agree that the government of Canada ought to take issue with decisions which have been reached by the Canadian Transportation Commission in violation of this particular principle?

Mr. Gray: Mr. Chairman, I think it is the obligation of the government of Canada to carry out the responsibilities imposed upon it by this parliament under the terms of the National Transportation Act. I am confident that this has been, and will continue to be, the obligation of the government. One must recall the C.N.R. is not a department of government but a separate entity, a crown corporation with all that that means with respect to method of operation. Perhaps we can continue this further when the matter is next before the house.

Clause agreed to.

Clauses 3 to 6 inclusive agreed to.

[Mr. Gray.]

On clause 7—*Loans to Air Canada out of C.R.F.*

Mr. Bell: May I just confirm, Mr. Chairman, that subclause (3) of this clause is new?

Mr. Gray: That is right.

Mr. Forrestall: I was wondering what the necessity was for making this particular clause of the financing bill operative from January 1, 1968 inasmuch as we are now into November of 1968, some ten months later. Has Air Canada taken steps during the current year, in anticipation of this authority, to raise money for any particular purposes. I had in the back of my mind, for example, money required for expansion of operation in the Caribbean, or something like that.

Mr. Gray: Mr. Chairman, I am informed that there has certainly been no borrowing by the C.N.R. up to the present time under this type of provision.

Mr. Forrestall: Then what is the explanation for dating the bill January 1, 1968, or is this normal practice? We are now in November 1968.

Mr. Gray: I gather, Mr. Chairman, that this is a relatively normal way to draft such a measure. At the time the bill was being drafted I gather there was no clear indication when this type of authority might need to be used.

Clause agreed to.

Clauses 8 to 14 inclusive agreed to.

On clause 15—*Auditors.*

Mr. Knowles (Winnipeg North Centre): On this clause, Mr. Chairman, I simply ask: Why not have the Auditor General of Canada do this work?

• (6:00 p.m.)

Mr. Gray: Mr. Chairman, the Canadian National Railways Act states that the C.N.R. auditor shall be an independent auditor appointed by parliament. Section 38(1) of the Canadian National Railways Act reads as follows:

> A continuous audit of the accounts of National Railways shall be made by independent auditors appointed annually by Parliament who shall annually report to Parliament in respect of their audit.

I think I summarized the matter correctly.

Mr. Baldwin: Is the firm auditing these books the firm that audited the books of the Company of Young Canadians?

Clause agreed to.

Clause 1 agreed to.

Title agreed to.

Bill reported.

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

Mr. Baldwin: At the next sitting of the house.

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

HOUSE OF COMMONS

Monday, November 4, 1968

The house met at 2.30 p.m.

JUSTICE AND LEGAL AFFAIRS

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. D. R. Tolmie (Welland) moved that the first report of the standing committee on justice and legal affairs, presented to the house on Thursday, October 31, be concurred in.

Motion agreed to.

[*Translation*]

EXTERNAL AFFAIRS

STATEMENT BY PRIME MINISTER RESPECTING NIGERIA AND DISCUSSIONS WITH U THANT

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I should like to report on certain initiatives taken within the last few days by the Canadian government in the international field.

[*English*]

Some two weeks ago discussions commenced in my office and in the Department of External Affairs about the desirability of sending to Lagos a personal representative of the Prime Minister of Canada for the purpose of furthering Canadian assistance efforts to that country. As a result of the decision reached in those discussions I instructed Mr. Ivan Head, my legislative assistant, to travel to Nigeria to speak on my behalf to Major General Yakubu Gowon, the head of the Nigerian federal military government.

Mr. Head left Canada on Saturday, October 26. He met with General Gowon in Lagos on Tuesday of last week. They talked at some length with respect to the unfortunate hostilities now raging in Nigeria. On my behalf Mr. Head expressed to General Gowon the deep sympathy of all Canadians for the people's suffering as a result of the civil war. These sentiments were understood and welcomed by General Gowon. Discussed as well was the means by which the desire of Canadians to assist in the alleviation of that suffering could be made more effective.

As an immediate result of the Lagos talks, I am happy to be able to report the following. First, General Gowon has agreed to assist in every way possible and to guarantee the safety of daylight Red Cross flights into Uli airstrip from either or both of Lagos and Fernando Po. This means that the daily volume of relief supplies which could be carried into the rebel area could be multiplied several fold. This statement by General Gowon is, I suggest, both significant and laudatory. It illustrates clearly the sincerity of the federal military government in its declarations of good faith toward the Ibo peoples.

General Gowon has placed a single condition on this guarantee, one which I regard and which I am sure all Canadians will regard as eminently reasonable. It is that Colonel Ojukwu will undertake not to employ the Uli airstrip during daylight hours for arms flights. In this regard it should be borne in mind that such an undertaking would in no respect reduce the present level of arms shipments to the rebels. Uli airstrip is not now being used for any purpose during daylight hours. Under the agreement now reached it would be used, but only for civilian relief purposes.

I therefore now address a public and urgent appeal to Colonel Ojukwu to seize this opportunity to open up his airport to daylight relief flights and so permit the Red Cross to increase substantially food shipments to those civilians in the rebel held areas needing help.

A second point emerging from the Lagos talks was the useful information exchanged with respect to the most effective form of assistance which Canada might offer to Nigeria respecting distribution of relief supplies in federal territory. These discussions are continuing at an official level and I hope to be able to make a further announcement in this respect at an early date.

Third, the talks proved useful as an occasion for discussing Canada's participation in the international observer team. General Gowon repeated his assurances that the team will continue to enjoy freedom of movement and access.

I should like to report as well, Mr. Speaker, that on Saturday afternoon I met in New York with His Excellency U Thant, the Secretary General of the United Nations. We

employed that opportunity to exchange views on a number of issues of interest to Canada and to the United Nations. This was the second occasion since assuming the office of Prime Minister that I have engaged in lengthy and useful talks with the Secretary General, the first being in Edmonton in May. We have agreed to continue this practice from time to time.

• (2:40 p.m.)

I draw these recent activities to the attention of the house, Mr. Speaker, as an indication of the continuing initiatives of the government to ensure that Canadian foreign policies are both effective and appropriate.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, the announcement of the Prime Minister will be received with pleasure, I am sure, by all those who have felt that the government was somewhat slow in initiating an imaginative policy in so far as the humanitarian and political aspects of the Nigeria-Biafra war are concerned. As one who has been following some of the concepts of the Prime Minister's office about communications and the need to improve them, I am interested to see how this example of public attitude to foreign affairs has somewhat surprised the Prime Minister and his government in that they have found they cannot turn the public on and off like a tap. This they tried to do in the case of Nigeria and Biafra.

Certainly I welcome the initiative that the government has at least taken in sending one of its emissary, a senior person in the Prime Minister's office, to Lagos. I hope the gentleman concerned took the opportunity to make his appeal while he was in West Africa, not only to General Gowon but also to Colonel Ojukwu. Perhaps this would have avoided the necessity of the appeal of the Prime Minister. I think this very satisfactory, since the observer team, which has been under some rather restrictive prohibitions, about which it commented in its report; and has been guaranteed freedom of movement and access by the government of Nigeria. It will be a useful change if the observer team is enlarged and is also able to visit Biafra.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I am sure every member of this house who represents the Canadian people is happy to see that the deep concern of the Canadian public in relation to the situation in Biafra is reflected in the statement the Prime Minister has made. It was quite a long statement covering a number of complex matters.

I would simply welcome the proposal that daylight flights are to be made, perhaps thereby enabling the delivery of needed food and medical supplies to be doubled.

However, Mr. Speaker, I note once again that the Prime Minister referred to Lagos and Fernando Po. May I remind the Prime Minister that there is another highly successful operation going on, one that has been going on for several months, from Sao Tomé. I appreciate there is difficulty here unless the operation is also carried out under the International Red Cross. If instead of ignoring that operation the government of Canada were to do its best to see that the Red Cross and the churches entered into an arrangement satisfactory to the Nigerian government for the inspection of flights from Sao Tomé, then I suggest supplies would not only be doubled but quadrupled, or perhaps even better.

I am glad the question of the observer team was taken up but I did not notice in the Prime Minister's statement any sort of undertaking by the Nigerian government that they would change the terms of reference. I remind the Prime Minister that it was made absolutely clear in the report of the observers that the future efficacy of the operation depended upon there being some change in the terms of reference.

I also suggest that their future efficacy depends on their having an opportunity to go into the Biafran occupied areas in order to hear complaints that may be made. This would make the observer team infinitely more useful than it is now.

I must say that I still regret in this statement, much though we welcome it, the complete absence of any reference to the overriding necessity of bringing about a cease fire and stopping the importation of arms by either side in the conflict. It seems to me this is something which in the interests of humanity and under the rules of international law cannot be disregarded by the international community. We shall continue to express our regrets until Canada takes the lead we think she could take in this respect.

[*Translation*]

Mr. Bernard Dumont (Frontenac): Mr. Speaker, allow me on behalf of the Ralliement Créditiste, to congratulate most sincerely the right hon. Prime Minister for his initiative in helping the people of Biafra, who seem to be threatened by inevitable suicide because the federal troops have tried to keep the province from obtaining its liberty.

We, on this side of the house, are always too pleased to support legislation or any government initiative to help a people in need. But, if poor legislation or an unacceptable project is introduced, we will be equally pleased to expose our views.

I congratulate you, Mr. Prime Minister, on that government initiative which will be appreciated by all the countries of the world. However, I am sorry that 34 days were needed to take the initiative—which I myself requested 34 days ago—especially if we take into account the fact that 6,000 people were dying every day and that the government could have avoided a great number of killings by acting sooner.

Mr. Prime Minister, your work is only starting, since this morning we read in the newspapers that 200 Nigerians had been killed. Furthermore, a press release from the Biafran army indicates that the battle was fierce, that an impressive number of soldiers were killed and that the Biafrans also seized hundreds of English-made rifles and a substantial quantity of ammunition.

If a country such as Great Britain, supported by Canada, on the one hand, can pretend to render service to these people while, on the other hand, it ships arms, I say that this is mass-killing, and therefore, Mr. Prime Minister, you are fully responsible for rescuing a province which wanted to protect its oil wells.

Mr. Speaker: Now that the honourable member has ended his remarks, I would remind him that they should normally be directed to the Chair.

[*English*]

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

POSSIBLE CHANGE OF AIR CANADA TO PRIVATE COMPANY

Question No. 51—**Mr. Fortin:**

1. Have the federal government and/or Air Canada studied, or are they studying, or will they study the possibility of changing Air Canada into a private company or into a company with mixed ownership and, if so (a) what is the result of these studies (b) will these studies be submitted to Parliament?

2. Has the federal government given instructions concerning this problem to Air Canada and, if so, what was the nature of these instructions?

3. Will the directors of Air Canada appear before the Crown Corporation committees to explain their policy on this matter?

Hon. Paul Hellyer (Minister of Transport): 1. The government is studying all possible options of corporate structure for Air Canada. This is a general study, however, and because of the broad policy issues involved will require considerable time to complete. No immediate policy change is contemplated and it is therefore premature to consider what action, if any, should result from the studies.

2. The federal government has not given any instructions to Air Canada concerning the question raised in Item 1.

3. As there is no new policy on this subject, it is not contemplated that the directors of Air Canada would appear before the crown corporations committee to discuss this matter.

APPOINTMENTS OF FORMER LIBERAL MEMBERS AND CANDIDATES

Question No. 57—**Mr. Diefenbaker:**

1. How many Liberal Members of the last Parliament and Liberal Candidates in the last election have been appointed to positions in Government, Civil Service, or to Government Boards since 25th June?

2. What are the names of such persons, and to what positions were they respectively appointed?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): 1 and 2. Neither candidates for election to the House of Commons nor members of the house are required to declare a party affiliation. Consequently, there is no record under the administrative responsibility of the government of Canada from which an answer to this question can be drawn.

APPOINTMENTS OF FORMER MEMBERS AND CANDIDATES

Question No. 71—**Mr. Coates:**

1. How many former Members of Parliament, either retired or defeated in the general election of June 25, 1968, have been appointed to positions with the Government of Canada, what are the names of the individuals in question, to what positions were they appointed and in each instance what was the annual salary involved with each appointment?

2. How many individuals who were unsuccessful candidates in the general election of June 25, 1968, have been appointed to positions with the Government of Canada, what are the names of the individuals in question, to what positions were they appointed and in each instance what was the annual salary involved with each appointment?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): 1. The following information has been supplied to me: (a) Mr. James A. Byrne, member, im-

migration appeal board, $19,000. (b) Mr. Andrew Chatwood; executive assistant to the Minister of Defence Production; $15,000. (c) Mr. Joseph A. Macaluso; director, transportation policy, research division, Canadian Transport Commission; $24,000. (d) Mr. John Mullally; executive assistant to the Minister of Fisheries; $15,000. (e) Mr. J. P. O'Keefe; special assistant to the Minister of Labour; $8,000. (f) Mrs. Margaret Rideout; judge, citizenship court; $16,000. (g) The Hon. Michael Starr; judge, citizenship court; $17,000. (h) Dr. John Stewart; legislative adviser to the President of the Privy Council; $24,000. (i) Mr. Paul Tardif; judge, citizenship court; $16,000. (j) The Hon. R. J. Teillet; commissioner, Canadian Pension Commission; $18,500. (k) Mr. J. R. J. Tremblay; executive assistant to the Minister of National Revenue; $12,000.

2. See the reply provided today to question No. 155.

APPOINTMENT OF MEMBERS AND CANDIDATES

Question No. 155—**Mr. Reid:**

What are the names of all individuals who had been Members of Parliament or who were federal candidates in the elections of 1957, 1958, 1962 or 1963 and who were appointed to the Senate, the Bench, any federal government Board, Commission, Agency, Enquiry, Study or Advisory Group or to any Civil Service position or who were employed in any capacity by the Government of Canada, giving (a) the position to which each was appointed (b) the date of any such appointment and the duration of the appointment (c) the amount paid to each such individual in each year, for all purposes, including salary, expenses and allowances?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Since persons appointed to the Senate, the bench, federal boards, commissions, agencies, etc. are not required to declare whether or not they have ever been candidates in federal elections, there is no record under the administrative responsibility of the government of Canada from which an answer to this question can be drawn.

ORIGIN OF C.B.C. PROGRAMS

Question No. 178—**Mr. McCleave:**

1. Which programs to be shown on the national television network of the C.B.C. this fall and winter originate from: Toronto, Montreal, Winnipeg, Ottawa, Halifax, Vancouver, St. John's and other centres?

2. Is consideration being given to the origination of more of such national programs from centres other than Toronto or Montreal and, if so, with what expected result?

[Mr. Forest.]

Hon. Gérard Pelletier (Secretary of State): I am informed by the C.B.C. as follows: 1. The attached list reflects the prominence of Toronto as the English T.V. network headquarters and main network origination point. However, it must be taken into account that many program items not apparent from a listing of program titles are contributed by other centres. Also, many regionally produced programs are exchanged among regions for local scheduling on C.B.C. stations in non-network time periods.

2. Yes. The corporation is seeking ways to increase regional contributions to the network to effect an improvement in the flow and exchange of cultural and regional information and entertainment between the different parts of Canada.

CBC ENGLISH TV NETWORK PROGRAM ORIGINATIONS—FALL AND WINTER 1968-69

TORONTO: Country Calendar; The Great War; Sports-a-plenty; Man Alive; The Tommy Hunter Show; *The Way It Is; *News; Canadian School Telecasts/Educational & Youth Programming; Friendly Giant; Mr. Dress-Up; Take Thirty; The Gardener; Forest Rangers; Where It's At; Show of the Week; Front Page Challenge; Quentin Durgens M.P.; Swingaround; *Newsmagazine; The Public Eye; Festival; A Place of Your Own; Telescope; The Nature of Things; Toby; Audubon Wildlife Theatre; NHL Hockey; CFL Football; Barris and Company; Viewpoint; U.S. network & film series (e.g. Ed Sullivan, Bonanza etc., via Toronto); Kaleidasport; *Championship Sports; This Land of Ours.

MONTREAL (English): Where It's At; Chez Hélène; Visite au Québec (schools telecast); NHL Hockey; CFL Football; Viewpoint; D'Iberville; Pick of the Week; Championship Tennis.

WINNIPEG: Gardener; Where It's At; Hymn Sing; CFL Football; Championship Water Polo; Viewpoint; Pick of the Week; Take Thirty; Country Calendar.

OTTAWA: CFL Football; Twenty Million Questions; The Nation's Business; News Specials; Viewpoint.

HALIFAX: Gardener; Don Messer's Jubilee; Where It's At; Viewpoint; Pick of the Week; Take Thirty; Country Calendar.

VANCOUVER: This Land of Ours; Where It's At; CFL Football; Viewpoint; Festival (Sister Balonika); Pick of the Week; Take

Thirty; The Gardener; Country Calendar; Variety.

EDMONTON: Viewpoint; Pick of the Week; Take Thirty.

VARIOUS AND OTHER: Championship Sports; Friday-Night Movies; The Corsairs (France); World 68 (U.K.); Trans-World Top Team (CBC/BBC); World of Music.

* Indicates programs not listed elsewhere which are most likely to include occasional items from other locations.

Questions

POST OFFICES BUILT OR RENOVATED, ROBERVAL CONSTITUENCY

Question No. 230—**Mr. Gauthier:**

1. How many post offices were built or renovated since 1962 in the constituency of Roberval?

2. What was the cost of the work undertaken in each case?

Hon. Arthur Laing (Minister of Public Works): 1 and 2. Listed below:

LOCATION AND WORK	1964 $	1965 $	1966 $	1967 $	1968 $
Albanel					
Post office building	15,450				
Exterior painting				250	
Argentenay					
Post office building		14,800			
Exterior painting					280
Didyme					
Post office building				15,800	
Dolbeau					
Oil conversion					2,695
Exterior painting					475
Interior painting			3,750		
Exterior painting		975			
Flag pole			395		
Girardville					
Post office building					25,917
Mistassini					
Exterior painting				250	
Landscaping			2,215		
Riviere au Dore					
Post office building	19,900				
Exterior painting					375
Roberval					
Interior painting and window repairs				1,550	
Interior modifications				4,295	
New floor				875	
Interior painting			5,840		
New balcony				250	
Repairs to sidewalk		250			
New counter				1,450	
St. Felicien					
Exterior and interior painting					3,690
Repairs to chimney		135			
Oil conversion				1,885	
St. Prime					
Post office building	19,900				
Exterior painting					375
Roof repairs		150			
Ticouape					
Post office building	14,800				
Exterior painting					250

Questions

POST OFFICE DEPARTMENT EMPLOYEES, ROBERVAL CONSTITUENCY

Question No. 231—**Mr. Gauthier:**

1. How many employees does the Post Office Department have in the constituency of Roberval?

2. What is the annual budget, i.e., salaries, rent and other expenses?

Hon. Eric W. Kierans (Postmaster General): 1. Full time employees, 51; Part time employees, 19.

2. $420,175.85.

C.N.R. STEVEDORE PAYROLL, NORTH SYDNEY, N.S.

Question No. 235—**Mr. Muir (Cape Breton-The Sydneys):**

What was the annual payroll of Canadian National Railways at North Sydney, Nova Scotia, for stevedores and other employees at the Terminal Wharf in each of the years from 1960 to the present?

Hon. Paul Hellyer (Minister of Transport): The management of Canadian National Railways advises as follows: Information for the years 1960 to 1964 is not readily available as the payroll register has been destroyed and to extract the figures from other sources would involve considerable time and expense. In addition, prior to 1967 employees at the terminal wharves of North Sydney and Mulgrave were paid on the same payroll. The following figures for the years indicated include employees at both North Sydney and Mulgrave: 1965, $3,955,113; 1966, $4,393,239; 1967, $4,878,353.

IMPORTS OF CORN

Question No. 237—**Mr. Danforth:**

1. What major companies or firms in Canada have imported corn into Canada in 1966, 1967 and 1968 to date?

2. What was the total amount imported?

3. Which elevators or storage facilities in Ontario and Quebec were used to store imported corn in 1966, 1967 and 1968 to date?

4. What was the total amount of imported corn stored in each of these facilities for the years 1966, 1967 and 1968 to date?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Dominion Bureau of Statistics and the Department of Agriculture as follows:
1. The Dominion Bureau of Statistics does not maintain a list of names and addresses of companies or firms importing goods into Canada.

2. The total amount of corn imported into Canada in the following years was:

Year	Quantity Bushels
1966	20,230,211
1967	29,118,658
1968*	11,288,674

*January to July latest statistics available.

3. Collingwood Terminals Ltd., Collingwood; Great Lakes Elevator Co. Ltd., Owen Sound; Goderich Elevator & Transit Co. Ltd., Goderich; Hiram Walker Sons Grain Corp., Walkerville; Maple Leaf Mills Ltd., Toronto; Canada Steamship Lines Ltd., Kingston; National Harbours Board, Prescott; National Harbours Board, Montreal; Fédérée Elevators Ltd., Montreal; Three Rivers Elevators Ltd., Trois-Rivières; National Harbours Board, Québec; Cargill Grain Co. Ltd., Baie Comeau; Bungé of Canada Ltd., Québec; National Harbours Board, Port Colborne; Upper Lake Shipping Ltd., Goderich; Louis Dreyfus Canada Ltd., Port Cartier.

4. The Board of Grain Commissioners advise that the amounts and types of the different grains stored in privately operated elevators are reported to them on a confidential basis. On a regional basis, quantities of imported corn stored in public elevators for the domestic market and in bond for export, are as follows:

Questions

	Receipts	Shipments Domestic	Exports
		'000 bushels	
Crop Year 1966-67			
Georgian bay and upper lake ports	1,935	2,369	——
Lower lake and upper St. Lawrence ports	5,587	5,083	488
Lower St. Lawrence ports	34,997	8,702	25,739
Crop Year 1967-68			
Georgian bay and upper lake ports	4,807	4,386	——
Lower lake and upper St. Lawrence ports	4,410	4,630	——
Lower St. Lawrence ports	32,564	19,187	14,644
Crop Year 1968-69 (to Sept. 18)			
Georgian bay and upper lake ports	1,382	1,510	——
Lower lake and upper St. Lawrence ports	1,173	843	——
Lower St. Lawrence ports	12,896	3,637	8,366

CYPRIOT SHIP "TAMACHUSTA"

Question No. 300—**Mr. Dumont:**

Did the Department of Transport allow the Cypriot ship, registered at *Tamachusta* and chartered by "Clarke Steamship", to sail between Montreal and Newfoundland and, if so, under what authority?

Hon. Paul Hellyer (Minister of Transport): Under section 671 of the Canada Shipping Act a ship registered in Cyprus, being a British ship, may be used in the coasting trade of Canada except for voyages wholly within the great lakes and St. Lawrence river as far seaward as Anticosti island without any special permit being given.

MAIL SERVICE REDUCTION—LAY-OFFS AND PAYROLL REDUCTIONS

Question No. 313—**Mr. McCutcheon:**

1. As a result of the withdrawal of Saturday mail service on February 1, 1969, how many lay-offs are envisaged?

2. What reduction in payroll is expected?

3. Will new contracts be negotiated with rural carriers or will the contracts be reduced by one-sixth?

Hon. Eric W. Kierans (Postmaster General): 1. It is expected that relatively few lay-offs, if any, will be necessary. Positions becoming vacant through normal attrition and new positions being authorized by increased work load are not being filled at present, so that they can be used for those employees becoming redundant. These positions will permit rearrangement of staffs as of February 1, 1969. Furthermore, where necessary, maximum use will be made of the manpower centres for retraining and reassignment.

2. The net reduction in cost to the department will be about $13 million per annum.

3. Under a five day delivery week on rural routes, all contracts for services affected would have to be renegotiated. However, rural routes are not being placed on a five day week.

COST OF C.N.R. BUSES, NEWFOUNDLAND

Question No. 318—**Mr. Marshall:**

How much money was spent on providing buses to the C.N.R. in the changeover from rail passenger services to bus transportation in Newfoundland?

Hon. Paul Hellyer (Minister of Transport): The management of Canadian National Railways advises as follows: Cost of providing the bus equipment is estimated at approximately $950,000.

POST OFFICE EMPLOYEES ON SIX DAY WEEK

Question No. 335—**Mr. McCleave:**

1. Do any mail carriers employed by the Post Office Department now work a six-day week?

2. If so, how many, and how would their salaries be affected by a five-day work week?

Hon. Eric W. Kierans (Postmaster General): 1. Yes, rural mail contractors.

2. As of 31 March 1968 there were 4,928 rural routes operating six days per week. In

the event of a five day delivery week being introduced on rural routes, all contracts for these services would have to be renegotiated. However, rural routes are not being placed on a five day week.

AIR CANADA RESERVATIONS FOR CARIBBEAN AREA

Question No. 342—**Mr. Nesbitt:**

1. Do resort hotels, travel agencies and related organizations in the Caribbean area and the Bahamas make reservations on Air Canada months in advance and, if so, are these reservations made in individual names or in the names of a hotel or agency?

2. How many months in advance are these bookings made and for what months are most of them made?

3. Is any deposit paid by hotels or agencies making these bookings?

4. What is the approximate percentage of passenger space on Air Canada flights to the Caribbean and the Bahamas booked by the above-mentioned methods?

Hon. Paul Hellyer (Minister of Transport): The management of Air Canada advises as follows: 1. Not generally. However, periodic individual reservations could be made by name, without any unusual booking trend being noted by Air Canada, but the number of such reservations would be minimal.

2, 3 and 4. Not applicable in view of reply to 1.

AIRPORT SUBSIDIES

Question No. 376—**Mr. Laprise:**

During the fiscal years 1966-67 and 1967-68, how much was granted in subsidies for the improvement and construction of local airports and what are the estimates for the current year for each of the provinces?

Hon. Paul Hellyer (Minister of Transport): 1. The following amounts have been granted in subsidies for the improvement and construction of local airports. 1966-67: $230,369; 1967-68: $930,102.

2. The total approvals in principle based on applications received which have been favourably rated, for the current fiscal year for local airport subsidies by provinces, are as follows: Newfoundland, Nil; Prince Edward Island, Nil; Nova Scotia, Nil; New Brunswick, Nil; Quebec, $333,000; Ontario, $270,176; Manitoba, Nil; Saskatchewan, $40,000; Alberta, $82,477; British Columbia, $29,000.

[Mr. Kierans.]

HOSPITAL CONSTRUCTION GRANTS

Question No. 381—**Mr. Rynard:**

1. How many of the provinces, if any, have used up their entire federal capital construction grants for hospital construction?

2. How many hospitals in Canada are (a) under construction (b) have been constructed, or (c) will be constructed which will not receive the benefits of the federal capital construction grants?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of National Health and Welfare as follows: 1. The province of Alberta has claimed its full allotment under the hospital construction grant program for the fiscal year 1968-69.

2. (a) As of October 21, 1968, 144 hospitals in Canada were receiving assistance for construction, other than renovation of existing facilities, under the terms of the hospital construction grant program. (b) As of October 21, 1968, 949 hospitals in Canada had completed construction projects, other than renovation of existing facilities, and received final federal payment under the terms of the hospital construction grant program. (c) Not known.

INMATE ACTIVITIES BUILDING, SPRINGHILL INSTITUTION

Question No. 403—**Mr. Coates:**

1. On what date was the initial work completed on the construction of the Inmate Activities Building at the Young Offenders Penal Institution at Springhill, Nova Scotia?

2. On what date were faults discovered in the construction of this building and on what date was an investigation carried out, who were the members of the investigating team and on what date was a decision rendered as to liability for the faults in question?

3. On what date did Simpson Construction Limited initiate repairs to the faults in question, have these faults been repaired and, if so, when will this building be turned over to the Canadian Penitentiary Service for use and, if not, on what date will this work be completed?

Hon. Arthur Laing (Minister of Public Works): 1. The work has not yet been fully completed. Some electrical, mechanical and painting work is still to be finished.

2. Faults in beam seats were discovered January 18, 1968. An investigation was carried out January 24, 1968 by Mr. C. E. Seamone of C. D. Davison & Company (consultant for the department) and Mr. A. H.

Abbott of J. Philip Vaughan and Associates Limited, structural engineer retained by the consultant. On June 12, 1968 the consultant was advised that the department considers responsibility for this work remains with their company.

3. Repairs were initiated on August 8, 1968 and are expected to be completed by the end of October. The remaining work in the building should be finished by the end of this year and an interim certificate issued within two weeks of that date.

C.M.H.C. LOANS

Question No. 427—**Mr. Caouette:**

1. How many loans were requested from Central Mortgage and Housing Corporation, by province during 1967?

2. How many loans were subsequently granted in each province?

3. What is the total amount, for each province, of the loans thus granted?

Hon. Paul Hellyer (Minister of Transport):

1.

Applications for direct C.M.H.C. Loans for new housing under the National Housing Act, 1967

Province	Section 40 Dwelling Units	Other[1] Dwelling Units	Other[1] Hostel Beds
Newfoundland	1,984	160	93
Prince Edward Island	42	24	24
Nova Scotia	433	—	769
New Brunswick	334	—	288
Quebec	11,108	168	755
Ontario	10,274	5,700	4,847
Manitoba	1,373	101	570
Saskatchewan	1,825	12	147
Alberta	4,290	24	732
British Columbia	5,984	344	561
Yukon Territory	46	—	—
Northwest Territories	133	—	—
Canada	37,826	6,533	8,786

[1] Data on applications for loans under Sections 16, 16A, 35D and 36B of the National Housing Act are available only from January, 1967.

2 and 3.

Direct C.M.H.C. Loans Approved for New Housing Under the National Housing Act, 1967

Province	Number of Loans	Section 40 Dwelling Units	Other[1] Dwelling Units	Other[1] Hostel Beds	Amount ($000)
Newfoundland	790	1,643	160	93	25,786
Prince Edward Island	40	41	24	153	1,479
Nova Scotia	308	371	44	716	9,602
New Brunswick	252	303	—	361	5,688
Quebec	8,149	9,943	256	1,886	148,691
Ontario	9,653	9,943	8,397	5,643	301,725
Manitoba	1,113	1,327	179	571	24,139
Saskatchewan	1,427	1,665	36	420	25,083
Alberta	3,592	4,131	1	1,224	65,874
British Columbia	3,737	5,050	516	1,422	84,792
Yukon Territory	30	44	—	—	642
Northwest Territories	37	133	—	—	1,939
Canada	29,128	34,594	9,613	12.489	695.440

[1] Includes activity under Sections 16, 16A, 35D and 36B of the National Housing Act.

POST OFFICES TO BE CLOSED IN NOVA SCOTIA

Question No. 447—**Mr. Comeau:**

Are any post offices scheduled to be closed in Nova Scotia and, if so, when and where?

Hon. Eric W. Kierans (Postmaster General): Yes. Coddles Harbour, October 21, 1968; Stormont, October 31, 1968; Voglers Cove, October 31, 1968; Windsor Forks, October 31, 1968; Peas Brook, 1969; Upper Whitehead, 1969; New Campbellton, 1969; Ross Ferry, 1969; Kingross, 1969; Cap La Ronde, 1969; Rocky Bay, 1969; Poirierville, 1969; Pondville,

1969; Bell Neck, 1969; Springhaven, 1969; Belleville South, 1969; Malignant Cove, 1969; Mattie, 1969; Grosvenor, 1969; Goldenville, 1969; Wine Harbour, 1969; Tidnish, 1969; West Cooks Cove, 1969; Upper Economy, 1969; Quinan, 1969; Belleville, 1969.

POST OFFICE CONSTRUCTION, COATICOOK AND LAC MEGANTIC, QUE.

Question No. 452—**Mr. Latulippe:**

Will the decision made by the government to build post offices at Coaticook and Lac Mégantic be implemented and, if so, will the government agree to have the construction carried out during the winter to help relieve unemployment in that district?

Hon. Arthur Laing (Minister of Public Works): It is expected that tenders will be called next summer for a new post office building at Coaticook and the work will continue throughout the winter months.

Tenders for a smaller building at Lac Mégantic are also expected to be called during the summer and should be completed in the early part of the winter.

COST OF TRANS-CANADA HIGHWAY

Question No. 471—**Mr. Harding:**

1. What was the total initial cost of (a) the completed Trans Canada Highway (b) that portion of the Trans Canada Highway within each province?

2. What was the total initial cost of the Trans Canada Highway to (a) the federal government, by province (b) each of the provincial governments?

3. What was the total cost of upkeep of the Trans Canada Highway for each of the past three years and, by province, how was this annual upkeep shared between federal and provincial authorities?

Hon. Arthur Laing (Minister of Public Works): 1. The construction period under the trans-Canada highway agreements does not terminate until December 1970. Thus the total cost is not known. (a) The value of work approved for construction on the trans-Canada highway in all provinces is $1,196,000,000; (b) By provinces, the total value of work approved for construction: Newfoundland, $157,100,000; Prince Edward Island, $15,500,000; Nova Scotia, $90,900,000; New Brunswick, $121,900,000; Quebec, $237,500,000; Ontario, $246,000,000; Manitoba, $36,800,000; Saskatchewan, $34,700,000; Alberta, $39,500,000; British Columbia, $216,100,000.

[Mr. Kierans.]

2. Total contributions by the federal government to each province, to date, are: Newfoundland, $104,800,000; Prince Edward Island, $10,500,000; Nova Scotia, $60,900,000; New Brunswick, $86,400,000; Quebec, $151,100,000; Ontario, $130,700,000; Manitoba, $20,200,000; Saskatchewan, $17,000,000; Alberta, $22,700,000; British Columbia, $120,100,000; Total $724,400,000.

2. (b) As there are a number of items such as acquisition of right-of-way, highway signs, etc., which are not shareable under the Trans-Canada Highway Agreements, the costs to the provinces are not known.

3. The maintenance of the trans-Canada highway is a provincial responsibility, the costs of which are not shared by the federal government.

INMATES IN FEDERAL PENAL INSTITUTIONS

Question No. 472—**Mr. Orlikow:**

1. How many inmates are there in federal correctional institutions at the present time?

2. How many inmates are there in each of the institutions under maximum security, medium security, minimum security?

3. How many paroles were granted to the inmates of federal correctional institutions for each of the past three years and of these, how many were maximum parolees, medium parolees, minimum parolees?

4. How many inmates are there in federal correctional institutions serving sentences after being sentenced to preventive detention, and in which institutions are these people detained?

5. In each of the past three years, how many inmates serving sentences under preventive detention were paroled?

6. In the past three years, for all those inmates in Canadian institutions paroled, what was the average time served?

Hon. G. J. McIlraith (Solicitor General): 1. On October 8, 1968, there were 6,817 inmates on register in federal correctional institutions.

2. Maximum Security

Dorchester penitentiary	329
St. Vincent de Paul penitentiary	755
Kingston penitentiary	670
Manitoba penitentiary	350
Saskatchewan penitentiary	567
British Columbia penitentiary	463
Sub-total	3,134

Medium Security	
Springhill institution	123
Leclerc institution	426
Federal training centre	283
Cowansville institution	173
Collins Bay penitentiary	451
Joyceville institution	444
Warkworth institution	144
Drumheller institution	142
Matsqui institution: males	190
females	36
Sub-total	2,412
Minimum Security	
Dorchester penitentiary farm annex	56
Springhill minimum security institution	70
Blue Mountain correctional institution	38
St. Vincent de Paul penitentiary farm annex	80
Gatineau correctional camp	35
Collins Bay penitentiary farm annex	82
Joyceville institution farm annex	70
Beaver Creek correctional camp	48
Landry Crossing correctional camp	36
Manitoba penitentiary farm annex	76
Saskatchewan penitentiary farm annex	82
William Head institution	123
Agassiz correctional camp	73
Sub-total	869
Specialized Institutions	
Special correctional unit (Quebec)	36
Prison for women	70
Mountain prison:	
Doukhobors:	7
Aged inmates:	134
Community release centre (Quebec)	9
St. Vincent de Paul industrial annex (medium and minimum security)	112
Newfoundland, Her Majesty's prison	34*
Sub-total	402

*Penitentiary service inmates incarcerated in Newfoundland provincial penitentiary in accordance with the Penitentiary Act, Section 14 (5).

Total population on register (Oct. 8, 1968) 6,817.

3. Security	1965	1966	1967	Total
Maximum	559	562	657	1,778
Medium	475	488	610	1,573
Minimum**	93	64	61	218
Total	1,127	1,114	1,328	3,569

**Paroles from most minimum security institutions, such as farm annexes, industrial annexes or correctional camps, are shown as being paroled from the parent institution. Only those released on Minimum parole from minimum security institutions have been shown above, which accounts for the small number.

4. Institutions	Numbers
Dorchester penitentiary	5
St. Vincent de Paul penitentiary	14
Kingston penitentiary	25
Manitoba penitentiary	8
Saskatchewan penitentiary	15
Drumheller institution	1
British Columbia penitentiary	61
Total	129

5. Year	Numbers
1965	3
1966	5
1967	22
Total	30

6. 1965, 14 months; 1966, 12 months; 1967, 12 months.

FEDERAL EDUCATION TAX ABATEMENT, B.C.

Question No. 474—**Mr. Goode:**

What amount was the federal tax abatement for education to British Columbia for the year 1967?

Hon. E. J. Benson (Minister of Finance): The estimated value of the 1967 federal tax abatement associated with post-secondary education was $26,203,000.

INMATE ACTIVITIES BUILDING REPAIRS, SPRINGHILL INSTITUTION

Question No. 475—**Mr. Coates:**

Has C. D. Davidson and Company, Architects and Consultants for the Young Offender's Penal Institution at Springhill, Nova Scotia, paid Simpson

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Construction Limited for the work carried out in repairing the faults to the Inmate Activities Building at the Springhill Penal Institution?

Hon. Arthur Laing (Minister of Public Works): No. Direct payment between the consultant and contractor is not anticipated. The Department of Public Works is holding funds pending resolution of the amount.

NATIONAL DEFENCE EMPLOYEES PAY INCREASES, DARTMOUTH-HALIFAX

Question No. 476—**Mr. Forrestall:**

1. How many employees of the Department of National Defence in the Dartmouth-Halifax area have not had pay raises since October 1965 and of these how many are (a) labourers (b) trades helpers?

2. How many since July 1966 have not had a pay raise and of these what number are (a) labourers (b) trades helpers?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): 1. 106—(a) and (b) none.

2. 711—(a) 110; (b) 50.

C.N.R. REVENUES AND COSTS

Question No. 490—**Mr. Moores:**

1. During the year 1966, what were the C.N.R. figures for Newfoundland of (a) rail passenger revenues (b) gross rail revenues (c) gross operating expenses for rail services (d) operating expenses for rail passenger services (e) total operating expenses (f) total revenues from all sources?

2. In 1966, what were the C.N.R. totals, by provinces, of (a) rail passenger revenues (b) gross revenues of rail services, including freight and passenger services?

3. In 1966, what were the total operating costs, by provinces, of C.N.R. rail services (a) passenger (b) freight?

Hon. Paul Hellyer (Minister of Transport): The management of Canadian National Railways advises as follows: 1. Pursuant to section 314 I, subsection 3 of the Railway Act, the railway is required to submit, on a confidential basis, concurrently with the filing of an application to discontinue a passenger train service, a statement of costs and revenues of the company attributable to the carriage of passengers by the service as the commission may prescribe. The foregoing requirement was met by the company in connection with its application for authority to discontinue passenger train service between Port aux Basques and St. John's, and by order No. R-507 dated November 6, 1967, the Railway Transport Committee gave notice that it had determined the said passenger train service had incurred an actual loss of $918,000 in the year ended December 31, 1966.

2 and 3. The information is not available in the form asked as the system is administered by regions which do not conform to the geographical boundaries of the provinces. System railway operating revenues and expenses for the year 1966 may be found on pages 4, 5 and 6 of the company's printed annual report for that year.

[Mr. Coates.]

UNEMPLOYMENT INSURANCE BENEFITS TO CANADIANS IN U.S.

Question No. 492—**Mr. Dionne:**

What have been the results to date of the efforts by the representatives of the Canadian Government to reach an agreement with the United States authorities concerning the eligibility for Unemployment Insurance benefits of Canadian workers in U.S. Territory, especially in the States of Maine and New Hampshire?

[*Translation*]

Hon. Bryce S. Mackasey (Minister of Labour): A survey is currently underway covering Canadians who habitually work in lumbering and logging in Maine. The purpose of this survey is to assess the possible cost to Maine if a reciprocal agreement is negotiated. It is expected that the results of the survey will be tabulated within the next three months following which the Maine authorities will make their decision. There are no negotiations underway with New Hampshire at the present time.

[*English*]

*BUTTER IMPORTS

Question No. 498—**Mr. Laprise:**

1. What quantity of butter was imported in the year 1967-68, at what cost and from what countries?

2. What quantity of butter is being kept in storage in Canada?

3. What quantity of butter does the government intend to import during the year 1968-69?

[*Translation*]

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the departments of Trade and Commerce and Agriculture as follows: 1. The quantity and cost of butter imported in 1967-68, by countries, is as follows:

Questions

Country	January-December 1967 Quantity Cwt.	Value $'000	January-August 1968* Quantity Cwt.	Value $'000
Belgium-Luxembourg	58,534	1,351	—	—
France	330	11	—	—
Netherlands	6,614	135	56	1
Germany East	4,409	98	—	—
Poland	3,307	67	—	—
New Zealand	22,500	851	100	4
Totals	95,694	2,512	156	5

Figures may not add up due to rounding.
* Latest import statistics available.

2.

Stocks of Creamery Butter in Storages in Canada at the Beginning of Each Month During 1967 and 1968 to Date

	1967 '000 lb.	1968 '000 lb.
January 1	61,228	57,239
February 1	49,687	43,866
March 1	38,050	28,046
April 1	27,076	19,062
May 1	28,565	18,068
June 1	34,398	24,873
July 1	49,803	43,782
August 1	66,199	55,038
September 1	76,188	69,717
October 1	84,501	76,308
November 1	80,539	
December 1	69,761	

3. It is not possible at this time to determine how much butter may be required to supplement domestic supplies over the winter. This will depend on production and consumption during the coming months. Stocks on October 1 were eight million pounds below a year ago, which is about two per cent of annual Canadian production.

[*English*]

POST OFFICE PARCEL POST POLICY

Question No. 504—**Mr. Harkness:**

Is it the policy of the Post Office Department to (a) hold parcels for only 10 days (b) discourage the use of parcel post?

Hon. Eric W. Kierans (Postmaster General): (a) No; unless different instructions are received from the sender or addressee, parcels are anormally held for a period of 15 days. (b) No.

COMMERCIAL FISHING LICENCES, B.C.

Question No. 507—**Mr. Durante:**

How many commercial fishing vessel licences were owned by (a) British Columbia Packers (b) Canadian Fish Company (c) Nelson Brothers, as of (i) August 31, 1968 (ii) September 30, 1968?

Mr. E. F. Whelan (Parliamentary Secretary to Minister of Fisheries):

	(i)	(ii)
(a) British Columbia Packers	147	147
(b) Canadian Fishing Company	178	178
(c) Nelson Brothers	160	160

IMMIGRATION APPEAL BOARD, TORONTO

Question No. 511—**Mr. Ryan:**

Is it the intention of the government to establish permanent facilities in Metropolitan Toronto for the hearing of appeals to the Immigration Appeal Board and, if so, when and where?

Hon. A. J. MacEachen (Minister of Manpower and Immigration): 1. The establishment of permanent facilities of the immigration appeal board at any point other than Ottawa is dependent upon the results of the current experimental extension project just recently put in operation at Montreal.

EXTERNAL AFFAIRS REMOVAL FROM EAST BLOCK

Question No. 512—**Mr. Reid:**

What plans has the government to move the remnants of the Department of External Affairs from the East Block and is there a timetable for this move?

Hon. Arthur Laing (Minister of Public Works): This matter is under consideration but no decision or timetable has yet been established.

Questions

ANTI-NOISE PROCEDURES, TORONTO AIRPORT

Question No. 514—**Mr. Robinson:**

What steps are being taken and/or are proposed to enforce anti-noise procedures at Toronto International Airport?

Hon. Paul Hellyer (Minister of Transport): When the department has been informed that a jet aircraft has not complied with noise abatement procedures for reasons other than safety, the incident is investigated and appropriate follow-up action is taken with the aircraft operator.

AIR POLLUTION CONTROL, TORONTO AIRPORT

Question No. 515—**Mr. Robinson:**

What steps are being taken and/or are proposed to curtail and obviate air pollution at Toronto International Airport?

Hon. John C. Munro (Minister of National Health and Welfare): Subsequent to the preparation of the reply to question No. 184 (Mr. Gillespie), the occupational health division of the Department of National Health and Welfare and the Ontario air pollution control service began last week to take the necessary air samples at Malton airport and surrounding urban area to determine the extent to which the air may be polluted in this vicinity.

COMPENSATION FOR AIRCRAFT NOISE AND POLLUTION

Question No. 517—**Mr. Robinson:**

Is the Department of Transport considering a policy to compensate property owners for the loss of enjoyment of their properties due to aircraft noise and pollution?

Hon. Paul Hellyer (Minister of Transport): No.

SECOND TORONTO AIRPORT

Question No. 518—**Mr. Robinson:**

Is the Department of Transport considering a second airport for Metropolitan Toronto and, if so, will it be a satellite some distance from high centres of population?

Hon. Paul Hellyer (Minister of Transport): The departmental plans for expansion of airport facilities to meet future requirements in the Toronto area have included consideration of various alternatives, although no final decision has as yet been taken and the matters involved remain under discussion with representatives of the provincial government, of interested municipalities and of other groups concerned.

[Mr. Laing (Vancouver South).]

FISHERIES DEVELOPMENT SUBSIDY, PRAIRIE REGION

Question No. 520—**Mr. Schreyer:**

To whom is the approved subsidy of $41,666 (as noted in the reply to Question No. 263) to be paid under the terms of the Fisheries Development Act for the purpose of construction of storage facilities and of fishing vessels used in the inland freshwater fishing industry of the prairie region?

Mr. E. F. Whelan (Parliamentary Secretary to Minister of Fisheries): Winnipeg Cold Storage Co. Ltd., Winnipeg, Manitoba.

RAILWAY WHARF DREDGING, LUNENBURG, N.S.

Question No. 534—**Mr. Crouse:**

1. Is the government giving consideration to dredging the navigation channel and the area on both sides of the railway wharf at Lunenburg, Nova Scotia, to a depth of twenty-one feet of water at low tide and, if so, what is the amount of funds that will be set aside for this work?

2. When can the six large shipping and refitting firms whose operations are seriously affected by the situation expect the necessary dredging to be carried out?

Hon. Arthur Laing (Minister of Public Works): 1. Yes. It is not customary to give the estimated cost of a project before tenders are called and a contract awarded.

2. This project is being considered for the 1970-71 fiscal year.

HYDROFOIL TRIALS, HALIFAX

Question No. 562—**Mr. MacEwan:**

1. Have the initial displacement trials been completed for the Royal Canadian Navy Hydrofoil at Halifax, N.S.?

2. When is it expected that the gas turbine engine for transmission will be installed?

3. When is it expected that further trials will be held?

4. When will this ship be available for operational duties?

5. What is the total cost of the project to this date?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): 1. Some displacement trials have been carried out; others are scheduled for about the end of the year.

2. The main propulsion gas turbine has been installed for several months.

3. About the end of the year.

4. HMCS *Bras d'Or* is a developmental model hydrofoil and is not scheduled as yet for operational duties.

5. As of October 31, 1968, $46,300,000.

PURPOSE OF PROTECTION WORKS CONSTRUCTION

Question No. 568—**Mr. Schreyer:**

1. With reference to the protection works constructed or contributed to by the Department of Public Works, in each of the last three fiscal years at ten locations along the Fraser River, B.C.; three locations along the St. Clair River in Ontario; one location along the Detroit River in Ontario; thirty-one locations along the St. Lawrence River in Quebec; and seven locations elsewhere in the Province of Quebec, in how many of the foregoing cases was riverbank stabilization the primary or only purpose of such works?

2. What levels of government, corporations or persons were involved in the cost-sharing of these works and in what proportion did each interested party share these costs?

3. Which of the foregoing cases involved riverbank stabilization for the protection of (a) Crown-owned property (b) municipality-owned property (c) private-owned property?

Hon. Arthur Laing (Minister of Public Works): 1. In all cases.

2. Fraser river: Federal government, 37½ per cent; Provincial government, 37½ per cent; Municipality or district through tax levy, 25 per cent. St. Clair river: Federal government, 50 per cent; Private owner, 50 per cent. Detroit river: Federal government, 100 per cent; St. Lawrence river: Federal government, 100 per cent.

3. All properties were privately owned.

TERRAPLANE TEST RESULTS

Question No. 577—**Mr. Blouin:**

1. What were the results of the testing of the Terraplane at Orleans, Ont. as referred to in a Department of Transport Press Release issued June 21, 1968?

2. Does the government intend to submit this vehicle to further tests in other regions of the country, especially where there are no roads?

Hon. Paul Hellyer (Minister of Transport): 1. The results were inconclusive due to the development of several component defects which precluded testing the vehicle in northern Canada.

2. Not unless engineering modifications are undertaken by the manufacturer. The subject is, however, still under correspondence.

APPOINTMENTS OF FORMER CANDIDATES

Question No. 613—**Mr. Muir (Lisgar):**

What are the names of all individuals who were federal candidates for any political party since April 1, 1963, and who have been appointed to the Senate, the Bench, any federal government Board, Commission, Agency, Enquiry, Study or Advisory Group or to any Civil Service position or who have been employed in any capacity by the federal government, giving (a) the position to which each was appointed (b) the date of any such appointment and the duration of the appointment (c) the amount paid to each such individual in each year, for all purposes, including salary, expenses and allowances?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): See the reply made this day to question No. 155.

DRUG CHARGE AGAINST PRINCE ALBERT PENITENTIARY OFFICER

Question No. 620—**Mr. Diefenbaker:**

1. Has any officer in the Prince Albert Penitentiary been charged with selling drugs to prisoners?

2. If so, what disposition has been made of the charge?

Hon. G. J. McIlraith (Solicitor General): 1. No.

2. Not applicable.

QUESTIONS PASSED AS ORDERS FOR RETURNS

EXTRAJUDICIAL FUNCTIONS OF JUDGES

Question No. 15—**Mr. Caouette:**

1. During the past three years, which judges of the Superior, District and County Courts, as referred to in Section 96 of the BNA Act, have been appointed to extra-judicial functions, such as sitting on Royal Commissions, and advisory committees?

2. What remuneration in addition to their regular salary have these judges received in such cases?

3. What is the policy of the government with regard to the extra-judicial functions of the said judges?

Return tabled.

FEDERAL LOANS ON VARIOUS PROJECTS

Question No. 246—**Mr. Coates:**

1. What has been the financial involvement of the federal government either by grants or loans, in the construction of the St. Lawrence Seaway, the South Saskatchewan Dam and the Columbia River Development?

2. What was the rate of interest or rates of interest charged by the federal government on loans made available on the three projects?

Return tabled.

FEDERAL CORRECTIONAL INSTITUTIONS

Question No. 454—**Mr. Orlikow:**

1. How many federal correctional institutions are there in Canada?

Inquiries of the Ministry

2. What are the names of the Wardens of each of these institutions, and (a) how long have they been in their positions (b) what are their professional qualifications?

Return tabled.

• (2:50 p.m.)

[*Translation*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I rise on a question of privilege. I would like to make representations to the hon. Secretary of State and ask that questions numbers 40, 41, 43 and 44 be answered as soon as possible. These questions were partly placed on the order paper during the last session and the Civil Service Commission could answer them more quickly.

[*English*]

Hon. Donald S. Macdonald (President of the Privy Council): Perhaps I could deal with that question. My information is that most of the material from the departments concerned is now at hand and I expect to be in a position to reply to Nos. 40 and 41 on Wednesday next.

DOMINION-PROVINCIAL RELATIONS

PROPOSED TRANSFER TO PROVINCES OF FISCAL POINTS IN RELATION TO SHARED COST PROGRAMS

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to ask the Prime Minister whether it is a fact that his government has resurrected the proposal which was turned down by the provinces several years ago, to offer an additional 17 points of personal income tax to those provinces which would take over the hospital plan, the Canada assistance plan and the program of health care; and would the Prime Minister say whether this is the only proposal of substance, rather than of detail, which the government of Canada has made to the federal-provincial conference of finance ministers?

Right Hon. P.-E. Trudeau (Prime Minister): I do not want to comment in too great detail on these talks which are beginning today and which will continue tomorrow. The Minister of Finance will be here to reveal any part of the discussions on which there is agreement, or agreement to disclose; but in a general way I can say that the government of Canada has renewed, with slight modifications, the offers which were made in the fall of 1966.

[Mr. Orlikow.]

Mr. Stanfield: As a supplementary question, Mr. Speaker, arising out of the reported remarks of Prime Minister Bertrand this morning concerning the 2 per cent social development surcharge and the remarks of the provincial treasurer of Ontario concerning the futility of the federal-provincial conference as a result of the timing of the budget, will the Prime Minister say whether the 2 per cent surcharge in particular is subject to any review by the government?

Mr. Trudeau: No, Mr. Speaker, because we think it is erroneous on the part of the provinces to submit that this 2 per cent tax is linked specifically to medicare, as they do in their briefs. It is a general tax for social development purposes, and has been imposed to meet the escalation of costs in many areas of expenditure.

Hon. Marcel Lambert (Edmonton West): Would the Prime Minister advise the house whether this renewed offer of 17 points on the income tax bears the characteristics of the previous offer, that these would be subject to refunds from the provinces if the yields in this field of taxation were in excess of the costs of the programs for which they were being turned over to the provinces?

Mr. Trudeau: I suggest, Mr. Speaker, that the offer made in 1966 was perhaps slightly different from that which I understand the hon. member to be saying. It was 17 per cent as a transfer of fiscal points plus a supplementary to equalize total receipts, so it would cover the expenditures which are variable. Seventeen per cent did not mean the same thing for all provinces because of the differences in size and so on. It was 17 per cent plus a supplementary amount which was meant as an equalization amount.

Mr. Stanfield: Would the Prime Minister say whether his government is making specific proposals to the provinces, either at the finance minister' meeting or at the meeting of the minister of health, with regard to a ceiling or some other formula for the control of the shared cost programs? Will there be such specific proposals and, if so, will they be communicated to this house as they are presented to the provinces?

Mr. Trudeau: During the discussions there will arise certain suggestions on our part as to ways in which expenditures might be limited, but we are making them only by way of suggestions. As the Leader of the Opposition knows, the expenditures themselves are

controlled by the provinces and we are not in a position to force them or to suggest that they do anything in particular that they do not want to do themselves. We are exploring with them certain ways in which savings might be achieved if they so desire.

Mr. Stanfield: The government of Canada is not proposing any specific ceiling for these expenditures to the provinces, nor any departure from the existing agreements except such new agreements as may be reached with the approval of the provinces?

Mr. Trudeau: Generally speaking that is correct, Mr. Speaker. We are not proposing any unilateral cessation of agreements which have been reached by both parties at the present time. We are suggesting that they either be phased out, if we have the right to phase them out, or that they be allowed to expire in certain cases and perhaps not renewed. We are taking the position that both parties together should look now for a decrease in expenditures before any renewal period or expiration period is reached.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to direct a question to the Prime Minister. In view of the concern, particularly in Manitoba, which has been created by reports that the federal government would like to get out of medicare in 1972, can the Prime Minister assure the house and the country that as far as the federal government is concerned medicare is here to stay?

Mr. Trudeau: I think there is perhaps a misunderstanding on the part of the right hon. member. As he well knows—

Mr. Knowles (Winnipeg North Centre): Merci beaucoup.

[*Translation*]

Mr. Trudeau: Not at all, Mr. Speaker. I am happy to honour the hon. member.

[*English*]

As the hon. member should know—let me put it that way—the law is made for a period of five years, and after the five years it is the intention of the federal government to transfer tax points to the provinces so they can continue with the medicare program. In other words we, the federal government, are raising taxes now and giving the produce to the provinces. After five years when the program is well established we suggest that the provinces raise the taxes themselves, and the federal government will evacuate that tax room to an equivalent amount.

Mr. Knowles (Winnipeg North Centre): Is it not clearly understood that any change at the end of the five year period would have to be by agreement between the federal government and the provinces, and not by unilateral action of the federal government?

Mr. Trudeau: My reading of the law—and perhaps we should not here be arguing the law—is that after five years, at the end of the scheme as it now exists whereby the federal government taxes for the provinces—it is a five year period in which the federal government will be helping the provinces meet the costs—there will be a straight transfer of the tax room.

Mr. Knowles (Winnipeg North Centre): Perhaps I should not have asked the question.

Mr. Fairweather: Is the just society of five years' duration?

Mr. Stanfield: Since the federal government is to vacate its responsibility for financing medicare at the end of five years, is it also the intention of the government of Canada to vacate the social insurance plan on its own if this is legally possible under existing agreements?

Mr. Trudeau: I am afraid the hon. member over there is showing his ignorance, but there is nothing new about that. The five years is not something I have invented today. It is something which has been set out in the law and which was discussed with the provinces at the time medicare was being set up. So there is nothing surprising about it.

On the point raised by the Leader of the Opposition, I might say in a general way that we indicated in 1966 and repeat now that it is our intention to get out of a lot of these areas of social services and let the provinces assume them. We will give them the tax room which goes along with these expenditures. We decided in 1966, and are following the policy now, to have all the provinces follow the precedent set with regard to the province of Quebec, whereby that province has much more tax room than the other provinces but also has much greater responsibility for the spending. This is nothing new. It was announced a full two years ago.

Inquiries of the Ministry

Mr. Stanfield: Mr. Speaker, will the Prime Minister not agree that this is new; was there not two years ago a proposal that the provinces might elect, whereas the Prime Minister is now indicating that the federal government will exercise its option to vacate these fields voluntarily and compel the provinces to assume full responsibility for carrying the costs of these programs, with the help of whatever points of taxation the federal government gives them?

Mr. Speaker: Order, please. It seems to me that the questions and answers are now developing into a debate. I wonder if we might go on to another subject.

Mr. Knowles (Winnipeg North Centre): May I just ask one more supplementary question, Mr. Speaker. Is it not a fact that the Minister of Finance did say the other day that the federal government would not get out of medicare unilaterally?

Mr. Speaker: Order, please. The question as asked is not acceptable. The hon. member is asking whether it is or is not a fact that a statement was made. The question seems to be argumentative.

Mr. Knowles (Winnipeg North Centre): May I ask the question in this manner, Mr. Speaker. Was the Minister of Finance stating government policy the other day when he said the government would not get out of medicare on a unilateral basis?

Mr. Trudeau: Yes, Mr. Speaker; but he was stating government policy under the law. The hon. member should realize that the law says in five years we will get out of it.

Mr. Knowles (Winnipeg North Centre): You will get out of more than that in five years.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, to follow the same line of thought, and since the Prime Minister says that, in five years, the federal government will be obliged by law to hand over to the provinces full jurisdiction in that field, can he tell us, since the joint programs—and this is truly a joint program, just as there are many others in the fields of hospitalization, social welfare, etc.—represent a double expenditure—

Mr. Speaker: Would the hon. member ask his question?

[Mr. Trudeau.]

Mr. Caouette: Yes, Mr. Speaker, I am getting to it.

Since the joint programs result in double expenditures for the population, could the Prime Minister tell us whether the government intends withdrawing from these joint programs and grant financial equivalence to the provinces?

Mr. Trudeau: Yes, Mr. Speaker, this is the policy which the government has been following for at least two years. That is the policy which has been established for the province of Quebec and which we suggest the other provinces should adopt also.

[*English*]

Mr. G. W. Baldwin (Peace River): I have a supplementary question, Mr. Speaker. I should like to ask the Prime Minister whether the government has prepared five year projections of the cost of these programs, particularly medicare, and whether these projections will be made known to the provincial governments and to this house.

Mr. Trudeau: Well, Mr. Speaker, we have some projections, but I am not sure that the computers are as accurate as the hon. member would like them to be.

[*Later:*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a question of privilege because I believe the Prime Minister has misinterpreted section 8 of the Medical Care Act. Therefore I should like to give notice that I will ask my question again at the first opportunity on an adjournment debate.

NATIONAL SECURITY

JAMES EARL RAY—CHARGE RESPECTING FORGED PASSPORT

On the orders of the day:

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Minister of Justice. Since the Ottawa civil servant in the James Earl Ray case has been identified as Mrs. Claire Keating, could the minister now tell the house whether his investigation is under way and whether a charge is contemplated?

Hon. John N. Turner (Minister of Justice): Nothing has been placed before me that

would warrant instituting criminal proceedings against any person arising out of dealings with James Earl Ray, other than a person who has been charged in Toronto for violation of sections 10 and 12 of the Ontario Commissioners for Taking Affidavits Act. That person is Henry Moos, manager of the Kennedy Travel Bureau in Toronto.

PUBLICATION OF GOVERNMENT DOCUMENTS IN RECENT BOOK

On the orders of the day:

Mr. Stan Schumacher (Palliser): My question is for the right hon. Prime Minister. In light of the suggestion by the Prime Minister that recent stories which appeared in *La Presse* might involve a question of theft, and the undertaking to have the Solicitor General investigate that possibility, does the Prime Minister propose to similarly refer to the Solicitor General the case of the publication in the book "The Distemper of Our Times" of the full texts of various cabinet and government documents?

Right Hon. P.-E. Trudeau (Prime Minister): I have not read that book, Mr. Speaker, but I will ask the Solicitor General whether there is anything in it which requires such action.

IMMIGRATION

ENGLISH LANGUAGE COURSES FOR CZECHOSLOVAKIAN REFUGEES

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. I apologize for not having given him notice, but I imagine he knows the answer. Is it correct that the government is financing a one week long or some other type of English course for Czechoslovakian refugees who have recently emigrated to Canada?

Mr. Speaker: Order. I find it difficult to determine whether this involves a matter of urgency. If it does not, the question might be placed on the order paper.

DOMINION-PROVINCIAL RELATIONS

INQUIRY AS TO ACTION RESPECTING OFFSHORE MINERAL RIGHTS

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, this question is directed to the Prime Minister. Further to questions asked in this house on September 18 and October 23—

Some hon. Members: Hear, hear.

Mr. Nielsen: —I have been rather preoccupied with certain proceedings back in my riding. Further to questions asked in this house on September 18 and October 23, will the Prime Minister tell the house whether the federal government has communicated to the provinces the federal proposal concerning offshore mineral rights?

Right Hon. P.-E. Trudeau (Prime Minister): Not yet, Mr. Speaker. I realize that the anniversary of the opinion of the Supreme Court will be coming up pretty soon, and I hope that on or around that anniversary certain proposals will have been made to the provinces.

Mr. Nielsen: Will the Prime Minister state whether the matter of offshore mineral rights will be on the agenda at the government's meetings with the premiers of the provinces?

Mr. Trudeau: Not specifically. The general area of division of power is on the agenda, but it is rather low on the agenda. For that reason we do not think this discussion will be held at this particular conference. We will be making certain proposals to the provinces which are not necessarily related to constitutional amendments. Therefore there will perhaps be no need to discuss them at this conference.

EXTERNAL AFFAIRS

NIGERIA—VISIT BY REPRESENTATIVE OF PRIME MINISTER

On the orders of the day:

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, will the Prime Minister tell the house why he found it necessary to send what might be called a personal presidential emissary to Lagos instead of using the legal channels of the federal government through its high commissioner there? Did Mr. Head see any member of the Biafran administration while he was in west Africa?

Right Hon. P.-E. Trudeau (Prime Minister): In respect of the first point, Mr. Speaker, I asked Professor Head to go there as my personal representative because I could not go myself as I had been urged to do by many hon. members. I felt that Mr. Head would do an excellent job of communicating my feelings to the government at Lagos and bring back first hand information as to their feelings. Mr. Head has had quite a lot of experience in African affairs and in international law.

Inquiries of the Ministry

On the second point, Mr. Head was not instructed to communicate with any of the Biafran authorities which, as the hon. member knows, are not recognized by the Canadian government.

VIET NAM—CANADIAN PARTICIPATION IN PEACE KEEPING EFFORTS

On the orders of the day:

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, on Friday in replying to a question by the Leader of the Opposition, asking whether Canada had a contingency plan with a view to supplying peace keeping forces that might be required in Viet Nam, the Prime Minister advised the house that he was not in a position at that time to answer the question. May I again ask whether Canada has a contingency plan outlining the forces that might be required for preserving a peace settlement in that country?

Right Hon. P.-E. Trudeau (Prime Minister): No, Mr. Speaker, my position today is the same as it was on Friday. We have received no specific request, and it is very difficult at this stage to know what might be requested of us. It is obvious that we cannot undertake any kind of policing action over the whole of the territory. It is also our position that any action we would contemplate taking would have to follow an agreement between the so-called parties to the peace talks or arise out of the Geneva machinery. If the agreement is under the present I.C.S.C., this action would have to be taken after an agreement had been reached by the three members of the I.C.S.C.

Mr. Forrestall: Mr. Speaker, I should like to ask the Prime Minister whether I can assume from his reply that to date there have been no discussions whatsoever about a contingency plan which Canada may or may not have or need in the future.

Mr. Trudeau: There have been no discussions with any foreign power, Mr. Speaker.

FISHERIES

FURTHER REPRESENTATIONS RESPECTING 12 MILE LIMIT

On the orders of the day:

Mr. Barry Mather (Surrey): Mr. Speaker, I should like to ask the parliamentary secretary to the Minister of Fisheries whether renewed representations have been received from the Fisheries Council of Canada urging that Canada declare a 12-mile Canadian fishing limit, spelling out its powers, and if so, what consideration will be given to this?

Mr. E. F. Whelan (Parliamentary Secretary to Minister of Fisheries): Mr. Speaker, I will take the question as notice.

COMPANY OF YOUNG CANADIANS

INQUIRY AS TO APPOINTMENT OF DIRECTOR

On the orders of the day:

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I should like to ask the Prime Minister whether he is now in a position to announce who has been appointed the new director of the company of young Canadians.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I believe this matter comes under the jurisdiction of the Secretary of State, and I see that he is here today.

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, the Company of Young Canadians sent us the name of a candidate for this position, and this application will be considered as soon as possible by the cabinet.

[*English*]

Mr. Nystrom: Mr. Speaker, in the light of the uncertainty surrounding the operations of the Company of Young Canadians as well as the abnormal change in its internal personnel and the confusion in the public mind as to the objectives of the C.Y.C., will the Secretary of State or the Prime Minister be prepared soon to make a statement on motions outlining the direction of the C.Y.C.?

Mr. Pelletier: I apologize, Mr. Speaker, but I did not catch the last part of the hon. member's question.

Mr. Nystrom: Would the Secretary of State or the Prime Minister be prepared to make a statement soon on motions outlining the objectives of the Company of Young Canadians?

[*Translation*]

Mr. Pelletier: I will be happy to consider this suggestion, Mr. Speaker.

[*English*]

Mr. G. W. Baldwin (Peace River): Mr. Speaker, would the Secretary of State mind including in that statement an analysis of the last audit of the affairs of that Company of Young Canadians?

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, would the Secretary of State indicate whether it is his or the government's intention to replace the provisional advisory council to the C.Y.C. by a permanent advisory council?

[*Translation*]

Mr. Pelletier: I think I was asked two questions, Mr. Speaker. I could not answer the first because the second one came too soon after.

In answer to the first question, Mr. Speaker. I should like to say that, as in the case of all companies of that sort, the estimates of the Company of Young Canadians will be presented to a committee and that all the hon. members will have the opportunity to put questions directly to those in charge of the company.

As regards the second questions, I do not remember. I am sorry, Mr. Speaker. If I am not mistaken, under the act this temporary council will, after a certain time, become permanent.

[*English*]

[*Later:*]

Mr. Nystrom: Mr. Speaker, I should like to direct a question to the Secretary of State. Is he considering the possibility of replacing the Company of Young Canadians by instituting a draft for social service?

[*Translation*]

Mr. Pelletier: Mr. Speaker, the two subjects—and I believe I already said this in answering another question—the two subjects are not related in my mind.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I wish to direct a question to the Minister of Justice. I would like to know whether or not the rumour that the minister intends to commit political suicide by becoming head of the Liberal party in British Columbia is founded?

[*English*]

ADMINISTRATION OF JUSTICE

COMPENSATION FOR INNOCENT VICTIMS OF CRIMINAL ACTS

On the orders of the day:

Mr. John Gilbert (Broadview): Mr. Speaker, I should like to ask a question of the Minister of Justice. In view of the rejection by the law enforcement board of Ontario of a claim for compensation by the dependant mother and survivors of Larry Botrie, the Toronto cab driver who was killed by a criminal recently, is it the intention of the government to introduce legislation during this session to compensate innocent victims of criminal acts?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, for the moment I think the definitive word on that subject was pronounced by my colleague, the Solicitor General, before the committee on justice and legal affairs.

Mr. Gilbert: Mr. Speaker, I should like to direct the question I asked the Minister of Justice to the Solicitor General. Is it the intention of the government to introduce legislation to compensate innocent victims of criminal acts?

Hon. G. J. McIlraith (Solicitor General): Not at this session, Mr. Speaker.

NATIONAL DEFENCE

ACTION TO GIVE STRATEGIC MOBILITY TO MOBILE COMMAND

On the orders of the day:

Hon. J. A. MacLean (Malpeque): Mr. Speaker, on October 29 the Minister of National Defence indicated in an answer he gave at that time that no decision had been taken as to whether the government would purchase tanker aircraft to give the CF-5 strategic mobility. Will the minister state now or at an early date what action the government is taking to give mobile command strategic mobility?

Mr. Speaker: Order. I wonder whether the hon. member is not asking for information from the minister of a type which should normally be given on motions? The minister might indicate whether he proposes to make such a statement.

Mr. MacLean: Mr. Speaker, perhaps I did not make myself clear. I asked whether the minister would be prepared to make such a statement now or at an early time, perhaps on motions if that is suitable.

Hon. Leo Cadieux (Minister of National Defence): Mr. Speaker, I can say that mobile command has strategic mobility now, because it has access to something like 24 Hercules aircraft.

Inquiries of the Ministry

THE MINISTRY

INQUIRY AS TO CODE OF ETHICS

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the right hon. Prime Minister whether the code of ethics issued by the former prime minister to his colleagues on November 30, 1964, is still a matter of government policy?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I would have to refresh my memory to see what the code of ethics then was. I was not a member of the ministry in those days, but I suggest there is no particular urgency to this question.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I was wondering whether the Prime Minister when examining this could also consider whether the code might be amended to give it the required degree of flexibility.

DOMINION-PROVINCIAL CONFERENCE

INQUIRY AS TO REPRESENTATION OF YUKON AND NORTHWEST TERRITORIES

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, in view of the inquiries which have been directed to the Prime Minister by the elected council representatives in the northern territories in respect of representation at the federal-provincial conference now under way, I should like to ask whether any representative of those elected members of either council is at the conference and, if not, whether it is the intention of the government to provide some representation in this regard.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I believe this question will be answered by the adoption of the procedure followed last February, according to which members of the councils could sit as part of the federal delegation.

Mr. Nielsen: Mr. Speaker, I have a question for the Prime Minister which is supplementary to the answer he gave a moment ago concerning representation at the federal-provincial conference of the elected representatives of the two northern territories. Can the Prime Minister through this house assure the councils of those territories that he will immediately dispatch an invitation to them to attend the meetings in the manner he has described, since no such invitation has yet been received by any of the representatives of the Yukon?

[Mr. Cadieux (Labelle).]

Mr. Trudeau: Mr. Speaker, the federal delegation has not yet been composed, so it is a matter of seeing who is to be a member of the delegation and who will perhaps be invited as observer for the federal government. As soon as this is decided I will dispatch invitations.

THE CANADIAN ECONOMY

INQUIRY AS TO DEVELOPMENT PLAN FOR ATLANTIC PROVINCES

On the orders of the day:

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. Could the minister say whether he is prepared to make a statement, which he promised several days ago, regarding departmental expenditures with respect to the Atlantic development area?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, I undertook to give my hon. friend the information which he sought on that occasion, and I will be happy to give it to him now in one or two sentences. I mentioned to my hon. friend, in connection with his question on the municipal winter works and our replacement program, that we were increasing our training funds in the Atlantic provinces. In these provinces we have increased our funds from $18 million last year to almost $27 million for the current fiscal year.

Most of this money will be spent in training workers who are unemployed in the winter months. It will be seen how significant this expenditure is in comparison with the total expenditure for municipal winter works in the Atlantic provinces, which last winter reached the figure of $1½ million.

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary question. In light of the rising and very serious unemployment situation in the Atlantic provinces, could the minister tell the house where these trained people will find employment?

Mr. Coates: In Ontario and Quebec, of course.

Mr. MacEachen: Mr. Speaker, may I say—

Mr. Speaker: Order, please.

Mr. Lundrigan: Mr. Speaker, I should like to direct my question to the Minister of Manpower and Immigration. Could the minister take the time of the house at the next sitting

to give us a breakdown of the extra expenditure of $8 million as it relates to each province, and also as it reflects on the general employment situation?

Mr. MacEachen: The information requested would be largely statistical, and I will be happy to produce it on the order paper in answer to a written question.

CANADIAN YOUTH PARLIAMENT

REQUEST FOR RECONVENING OF AD HOC COMMITTEE

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the right hon. Prime Minister. It arises out of the government's continuing emphasis on the participation of youth in governmental processes, and on the basis of assurances given by the Prime Minister on October 1 and October 21 in this house. Has the Prime Minister reached a decision with respect to the reconvening of the ad hoc committee on the proposed Canadian youth parliament?

Right Hon. P.-E. Trudeau (Prime Minister): Yes, Mr. Speaker. I have given consideration to this matter together with some of my advisers and with the President of the Privy Council. We do not feel that at this time the kind of expenditure this would involve would be justified. We do not feel this is the best way of ensuring that kind of participation. This is the decision I have reached at this time. I may want to reconsider it at a later date.

Mr. Dinsdale: I have a supplementary question. I should like to ask the Prime Minister whether the government contemplates substituting the youth service program or cultural conscription program, which has been proposed by the Secretary of State, for the youth parliament?

Mr. Speaker: Order, please. It seems to me the hon. member is repeating a question which was asked a moment ago.

Mr. Lorne Nystrom (Yorkton-Melville): I have a supplementary question. I wonder if the Prime Minister, at this time or some time soon, can tell the house what alternative uses he is planning for this money which could have been used for the Canadian youth parliament.

Mr. Trudeau: It is not as though we had money which could have been used for the Canadian youth parliament. This is money which we would have had to take from the taxpayer.

DRUGS

INQUIRY AS TO CHARGES RESPECTING COUNTERFEIT PRODUCTS

On the orders of the day:

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I should like to direct my question to the Solicitor General in the absence of the Minister of National Health and Welfare, who I trust was not injured in his car accident over the week end. Can the Solicitor General advise the house when the government will be laying charges in connection with counterfeit drugs on the Canadian market?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, as acting minister, I would like to say that the Minister of National Health and Welfare (Mr. Munro) has left me a note saying that the answer to the hon. member's question is in the mail, as is the answer to another member I cannot mention, because I only have his name and I do not know what riding he represents.

I do not know whether the minister intends to answer orally in the house when he comes back, but the two members who asked those questions last week and who were promised an answer this week will get their personal written replies.

[*English*]

Mr. Forrestall: Mr. Speaker, I must apologize, but I thought the Solicitor General was in the house. May I redirect my question in his absence.

An hon. Member: He is here.

Mr. Forrestall: Then why did the acting minister answer?

Hon. G. J. McIlraith (Solicitor General): Because he is not the acting minister.

Mr. Forrestall: But, Mr. Speaker, I directed my question to the Solicitor General, not the acting solicitor general.

Mr. Speaker: Order, please. This is a little confusing.

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I rise on a point of order regarding the same subject I have raised many times, that is to whom members

are entitled to put questions. The hon. member for Dartmouth-Halifax East made it clear he was asking a question regarding prosecutions under the Department of National Health and Welfare Act, which he directed specifically to the Solicitor General. If the Prime Minister would look up his roster I am sure he would find that the Solicitor General is here today, and if he would look to his right he would see him in his place.

An hon. Member: He is here every day.

FISHERIES

PURCHASE OF SALT COD FOR SHIPMENT TO BIAFRA

On the orders of the day:

Mr. John Lundrigan (Gander-Twillingate): I have a question for the Minister of Fisheries, which I will pose to his parliamentary secretary in the event that he is willing to attempt an answer. He may want to take it as notice, in which case I will wait until tomorrow.

Mr. Speaker: Order, please. Perhaps the hon. member might ask his question.

Mr. Lundrigan: I wish to ask the parliamentary secretary if the presently planned purchase of five million pounds or 50,000 quintals of Atlantic salt cod fish by the government for Biafra will mean an upward revision in the price of fish to Atlantic fishermen?

Mr. E. F. Whelan (Parliamentary Secretary to Minister of Fisheries): Mr. Speaker, I will have to take the question as notice.

Mr. Lundrigan: Then I withdraw the question.

• (3:30 p.m.)

SUPPLY

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

The Deputy Chairman: House again in committee of supply on the revised estimates of the department of supply and services for the fiscal year ending March 31, 1969. These estimates can be found on page 482 of the blue-book, and the details thereof are listed on page 484.

DEPARTMENT OF SUPPLY AND SERVICES

1. General administration, $4,973,100.

Hon. Donald C. Jamieson (Minister of Defence Production): The estimates which we are considering today, Mr. Chairman, reflect the changes that have either been undertaken in the new department of supply and services or those which are contemplated in the immediate future. In introducing these estimates there are just a few comments I should like to make so new members in particular may be better informed on just how this department functioned in the past.

Quite frankly, since this is my first responsibility in this regard it will give me an opportunity as well to set the picture, as it were, in proper perspective. The Department of Defence Production, as you know, has been in existence since 1951. The primary purpose of the department up to now has been to act as the procurement agency for the Department of National Defence. I believe it was generally agreed, and I think the record has tended to support this assessment, that it was in the best interests of public expenditures and of the nation generally to have a civilian oriented department undertake the job of procurement of the many and varied needs of the Department of National Defence. More recently, as a result of the general recommendations of the Glassco commission and since approximately 1963 or thereabouts, additional responsibilities have been assigned to the Department of Defence Production giving it the responsibility for purchasing on behalf of a number of civilian departments. Members will be interested to know that to date the amount of work in this connection that has been done embraces between 35 and 40 civilian departments or agencies. We are now responsible, in the department, for approximately 60 per cent of the expenditures on purchases by civilian departments.

As the transition continues and transfer of this purchasing authority continues to be brought over into our area of responsibility, it is expected that we will, within a comparatively short time, reach a point where we are doing a very substantial amount of, if not all, the purchasing for civilian departments. I think the record of the department is an indication that the concept of combined buying is equally as defensible and effective as has been the concept of a civilian department buying for the armed forces. We are planning now to continue to extend this consolidation and, as members will know, in July of this year it was announced that we are to establish a new department of supply and services.

Very briefly, this department will embrace those activities which I have already outlined to members, that is, purchasing for the armed

forces and a continuation of purchasing on behalf of civilian organizations. It will embrace these and a number of other very important functions. On the supply side, the department of supply and services is to undertake the major portion of what were, up to now, the shipbuilding responsibilities of the Department of Transport. In this way we will assume most of the things which the Department of Transport has been doing for itself in terms of design, procurement, the issuance of contracts and the general follow-up operations on shipbuilding projects to meet D.O.T.'s needs.

It is intended also that there will be an extension of the responsibilities which up to now have belonged to the Department of Defence Production with regard to the Queen's printer and the Canadian government printing bureau.

On the services side of the new department, and the estimates are presented in such a way that hon. members will have an opportunity to deal with both supply and services functions more or less simultaneously, the central element that will be brought over into the new department will be the comptroller of the treasury which up to now has been the responsibility of the Department of Finance. As you know, the comptroller of the treasury has a great many important responsibilities. These include, of course, the duty and function which, I suppose if one wished to oversimplify, could be called bookkeeper to the Canadian government. There are a variety of other services that are performed by the comptroller of the treasury, and some of these and the extension of them that we propose I will deal with in just a moment.

The second function which is to be assumed by my new department will be responsibility for the central data process service bureau. A third responsibility will be for the bureau of management and consulting services. If members will permit me, I should like to spend a few moments outlining the specific ideas that we have and the specific responsibilities which will be exercised under these headings.

The central data process service bureau is a reflection of an important change which is evident not only in government but in industry, with regard to the greater use of computers and other data processing equipment of one kind or another. The establishment of this bureau would mean that we would employ these new techniques in the best and most efficient way possible. I want to emphasize that it is not intended we will create a single unit that will do all the data processing for all departments of government. There will be specific responsibilities and specific jobs each department will continue to do for itself, but by and large the objective is to establish a new, central data process bureau as a facility which will be available to all departments that require it. In addition, we will thereby build up a bank of experts on computers and the like so all departments will have the capacity to draw on these and gain the benefits of the experience and knowledge these authorities possess.

The bureau of management and consulting services is, I think, also a most useful part of government structure. It is one which I believe will be employed more and more in the future. Essentially, the function of this bureau is to provide for any government department or agency expert advice to review procedures within a given department, to analyse the techniques that are being employed and to make recommendations or provide other help which will enable these departments to perform in a more efficient manner.

The department has achieved quite an impressive record in the past year. There have been some 60-odd studies which have been made at the request of specific departments and the results of these have, generally speaking, been very productive. They have brought about improvements in the functioning of these departments and agencies.

Returning for a moment, if I may, to some of the responsibilities on the supply side of the department of supply and services, I have outlined what its functions are. In this current year we have a number of special projects, most of which I believe are listed in the estimates. There are one or two, however, to which I should like to call particular attention as they represent some of the major areas for which we are now responsible in the defence production field. There is, for example, a construction program for the CF-5 aircraft centred in Montreal but with benefits in other regions as well. Under this program we are the responsible agency for the contract which will result in the construction of 115 of these CF-5 aircraft. There is at the same time, within the production facility where these are being built a similar order, not necessarily in size but for that type of aircraft, for the government of the Netherlands. These two

projects are going forward simultaneously. My main reason for mentioning the Netherlands order is to give an indication of the international co-operation which my department, in co-operation with others, has been able to achieve and which I believe has resulted in very substantial benefits not only in terms of government orders but in terms of our assistance to Canadian industry, particularly industry that is oriented to the defence field.

• (3:40 p.m.)

The second major project that is now under way and in which hon. members will be interested concerns the contracts already issued for the construction of D.D.H. destroyers. I confess that I have had a great deal of trouble within my department trying to keep all the initials correct, but I think I am right in saying that this is the official designation at the moment of these four vessels. Two of them are being built at Sorel in Quebec and two at Lauzon in Quebec. This is probably the single major defence construction project under way at the present time.

In addition to the shipbuilding work on these four vessels there is an enormous amount of what I choose to call complementary work, that is to say, work on the various equipment needs of these vessels, and these items are being constructed and designed in many different parts of Canada. If hon. members so desire I would be pleased to outline where these contracts have been placed and their nature.

In addition to these two major projects, as I describe them, the Department of Defence Production is also very directly engaged in a number of other projects of a defence nature. It has, as well, been participating in a number of international programs which have resulted either through direct involvement by government, or, in an indirect way, through the initiatives that we have taken, in considerable foreign sales of one kind or another. I have mentioned the Netherlands air force as one example. Another is that just recently some 15 of our Buffalo aircraft which originated as the result of a D.N.D. requirement have been sold in South America.

In addition to the new construction of the magnitude I have outlined, Mr. Chairman, there is a continuing repair and overhaul requirement. This amounts to many millions of dollars annually. It is one of the more difficult areas, as some hon. members will know, because of the need to try at least to ensure that most of the facilities in Canada do have a capability in this regard. We try to see that each gets a portion of this work.

This is not always easy, Mr. Chairman. Indeed, I would go so far as to say that it is extremely difficult to bring into line, to rationalize, if you like, the needs of individual plants with the other and fundamental requirement which I suggest rests on my department, namely, that of getting the best value possible for our defence dollars, as well as for our purchasing dollar generally.

Our total purchasing in the department in the current year is in excess of $1 billion. This is a very sizeable sum of public money and I am deeply conscious of the responsibilities that are ours in ensuring, as I said, that our money is spent to best advantage. Of this $1 billion plus, about $500 million or slightly more than half that amount is for the Department of National Defence. These are direct and specific requirements of the Department of National Defence and we, as the procurement agency, follow through on their demands. In addition to these expenditures on behalf of the Department of National Defence, the remainder, or about 45 per cent, of the expenditures are included under a general heading: for example, purchases on behalf of foreign governments in Canada as a result of various international agreements of one type or another.

We have also undertaken some expenditures on behalf of external aid programs when it has appeared that the use of the expertise that we possess has been desirable in order to obtain the best kind of arrangement. This is not, I should add, a total involvement on our part. It is not one of the agencies that has been completely transferred to the Department of Defence Production in terms of its purchasing needs. Where we have demonstrated or it is obvious that we can be of assistance, we have made certain external aid purchases.

Then there is the money that is spent on behalf of civilian or civil departments. When the total transfer of these civil departments is completed, which I anticipate will be over the next year to two years, we will then be adding to the total procurement value for which my department is responsible an extra $100 million, or an amount in that neighbourhood. That is our general assessment.

There are some interesting statistics in relation to the service side of the department in which I think hon. members may be interested. As most hon. members know, we

are the cheque issuing agency for the federal government. All payments go through the comptroller of the treasury. In the present year the government will issue in the neighbourhood of 78.5 million cheques. This number of cheques will go out from various government agencies and departments.

It is also interesting to note that of this total of 78.5 million cheques, about 53.5 million are taken care of under about three headings. These include, for example, family allowance payments, old age security, family assistance and the like. So in total 78.5 million cheques are issued, with 53.5 million of these cheques being issued under various social programs.

I should also add that in the consultation process in which we are engaged, which was going on long before I was responsible for the department and is now being accelerated in view of our intentions in this matter, we have in operation the central travel service which, from all accounts and from what I have been able to determine in my short time in the department, is a very useful and productive new operation. This is the centralization of all travel requirements and various related needs of government departments, and it is working out extremely well.

We have also introduced the vehicle fleet management information service. Related to this—and I suspect this will interest hon. members—we have in this year undertaken a consolidated vehicle purchase program. This means that we will adopt a sort of master contract approach which gives us the chance to take the best advantage of our purchases in terms of price, quality and the like. With the exception of external affairs, where there are a variety of unique problems inasmuch as vehicles are being exported overseas and we have not yet ironed out all the technicalities, we are now purchasing all the vehicles for civilian departments.

I believe this represents in capsule form some of the developments that are under way. The only other matter to which I should like to refer specifically concerns the Department of Public Printing and Stationery. As hon. members know—and I suppose this is the most familiar of all its activities—the Canadian government printing bureau is responsible for the publication of statutes and for the preparation and publication of the myriad documents—indeed, I am sure hon. members sometimes feel there are far too many—which are required in connection with the House of Commons and the general activities of government.

In addition, the Queen's printer has a special responsibility in terms of acting as adviser and the giving of expert assistance with regard to the best, most efficient and least costly way of preparing various government documents and the like. Perhaps hon. members will be interested to learn that in the run of a year through the printing bureau and the Queen's printer we produce—the figure will vary, of course, from one year to the next—several thousand documents. I was going to call your special attention, Mr. Chairman, to the increase during centennial year when, as you know, a number of very special books and the like were produced which gained international recognition. Indeed, in one case the book, "The Year of the Land," won an international award as well.

The result of this kind of activity—it was mainly attributable to centennial year—was an increase last year of 47 per cent in the sale of various documents, of the total available output of the Queen's printer, if you wish. Normally the increase in sales is approximately 10 per cent annually.

We have also been going through the process of providing outlets in at least each one of the major regions of Canada. In these centres we have a sales facility so that interested parties can obtain any government document in which they are interested. By and large these book stores have been very successful and have provided what appears from all the evidence that reaches us a most worthwhile service.

• (3:50 p.m.)

Before I conclude what I was going to say there is one other point that I should mention in connection with the supply side. Another of our assignments is to consolidate the purchasing and the warehousing of the needs and supplies of the department. This is the commodity approach to purchasing. We now have a pilot plant under study in the capital region under which we will bring together the known needs of a common nature of all departments and supply those departments directly from this type of centralized warehouse. This pilot project has only advanced to perhaps 10 per cent of its ultimate effectiveness but already we are satisfied that it represents real savings. For example, the best assessment I obtained as of today is that in the capital region, adopting this commodity approach and the centralized warehousing

idea, our savings will probably be approximately $3 million annually. We suspect, on the basis of what is known so far, that we can look for savings of 10 per cent to 20 per cent over all in our purchasing requirements generally when this system is fully functional.

I believe that is as much as I can tell hon. members at the moment about the background of the department and the plans we have. All this is, I think, evidence that we are moving in a most complex and difficult field to bring the most modern management and control techniques available to the service of government. When the job is finished we hope to have a very substantial pool of experience and expertise, as I have described it, available to all departments. We hope to remove from those departments responsibilities which more properly can be undertaken by a more central agency, which will leave them free to pursue their main assignments and responsibilities.

Mr. Coates: Mr. Chairman, I am pleased to note the ready grasp the minister has of his department and its objectives. Obviously the minister has had experience in operating concern of substance. He is capable of running this department efficiently and in a manner that will truly benefit the taxpayers of this nation.

The minister touched on most of the Glassco commission's recommendations and I am pleased to note that substantial savings have already been made as a result of the central warehousing pilot plant that has been established in this area. This indicates how great the benefits to the taxpayers will be if all those suggestions are implemented on a national basis.

I am also pleased to note that in many areas manpower is to be cut down, as recommended by the Glassco commission. Those who are concerned about the proliferation of jobs in our public service will be especially pleased with this. I assure the minister that he will receive every consideration from the official opposition in his endeavours to eliminate red tape and streamline and modernize the government's purchasing program.

Since I represent a constituency containing an aircraft plant I am probably more closely associated with that part of the former department of defence production having to do with aircraft matters than with other parts of the department which have fallen under the minister's responsibilities. In dealing with officials of the department on matters pertaining to the government's aircraft program I have become aware of their keen awareness and helpfulness and their desire to do everything humanly possible to facilitate the well-being of industries that are located in the Atlantic area. Unfortunately the officials have had their hands tied by government policy.

Knowing the very real ability the minister has shown in private life and in his brief stint so far as a minister of the crown, I hope he will develop a policy with regional implications that will recognize the special problems of the Atlantic provinces, much though the mandarins abhor the suggestion that there are such special problems, and provide additional employment to an area that desperately needs it. I believe the minister can do this. As his personality gradually makes itself felt in this administration I look forward with anticipation to a time when he will put forward regional policies that will be truly valuable not only to the people of the Atlantic area but to all the people of Canada. Certainly any benefits that accrue to the people of the Atlantic provinces must at the same time accrue to all the people of Canada.

Some hon. Members: Hear, hear.

Mr. Coates: There are some matters that are of concern not only to me but to other hon. members, as well as to the people of our nation generally. Recently I placed on the order paper a question concerning a firm known as Executive Consultants Limited. In that firm are two individuals who have had a close association with the Liberal party for a substantial period of time. The setting up of this type of firm specifically to do business with and for the government is in my view dangerous to the public interest. I will give my reasons for that statement.

• (4:00 p.m.)

Executive positions which are available in the offices of the various cabinet ministers could well become a training ground for lobbyists, influence peddlers, or whatever one might wish to call them, people who try to establish themselves in the good graces of the hon. gentlemen selected to be cabinet ministers. After they have accomplished their immediate task, that of ingratiating themselves with the minister concerned and the party in power, they set themselves up as consultants of one kind or another and secure retainers from large corporate structures whose business with the government is in many cases done by negotiation rather than

by bidding on contracts to supply equipment of various sorts.

It is often the case that competitive bidding is not wholly satisfactory from the government point of view. Because of their personal association with members of the government of the day, persons such as I have described are able to convince the federal authorities that the groups they represent can offer the people of Canada the best that is available in a certain field of supply. As a result of these activities the taxpayers end up purchasing goods or equipment which may well not be the best available. It is considered the best, though, because it has been promoted by friends of the government.

This is a dangerous type of development of which every Canadian and, indeed, the government itself should be leary. I would not like to think that a certain firm employed officers who could write letters to people in Canada saying: I am having difficulty getting office space but until I am settled you can always contact me by telephoning the office of the Prime Minister or the office of the Minister of Transport. A persons getting a letter of that kind might well feel: I do not know whether my product is as good as others are but if I have the help of that individual, I am half way there so far as selling to the government is concerned.

I do not suggest for one minute that any cabinet minister or any government would consciously and deliberately favour a certain product simply because a particular group or individual was promoting it. But I do say there are many unconscious considerations, of which a partisan association over a period of time is certainly one, which a man is bound to look at more than once before he can obliterate them from his mind. I like to think there are many reasons why young men should be attracted to the many positions very close to the top which are available in the government service. I like to think these positions are a training ground for political scientists, for budding politicians. But I do not like to think that certain individuals in this country are endeavouring to take advantage of those with whom they become associated by the kind of thing which I fear is indicated by the establishment of the firm to which I have referred.

Something else concerns me. I do not know whether it comes strictly within the purview of the minister; it may be the responsibility of the Department of Public Works. I hope that eventually, however, this matter will come under the minister's jurisdiction if it does not do so at present. I have in mind the kind of activity in which some of the hon. gentleman's colleagues have been engaged recently in respect of office space and office furnishings. I realize that the government is in office for at least four years; there is no argument about that. But I do not think the style of an office should depend upon whether parliament is in a minority or a majority situation. This should make no difference to the amount of space in an office, the kind of furnishings, and so on.

When we seek election to this chamber and have the good fortune not only to succeed but to be selected as cabinet ministers, it does not mean we should surround ouselves with opulence as has been the case, it would appear, in too many instances since the last general election. We are not maharajahs; even India does not have them any more. And there is no reason why we should be acting like maharajahs. To behave in this way is to tell the people of Canada how cynical we are and how cynical they ought to be about politicians. When we present ourselves to the people of a constituency we ask them for their support in order that we may assist them. I say to you, Mr. Chairman, that it makes no difference whether one of the people's representatives has a dollar wastepaper basket or a $35 wastepaper basket, whether he sits in a $30 chair or a $300 chair. This has nothing to do with what one may accomplish for the people of Canada. I suggest that the minister take a close look at some of the activities of certain of his associates. While he may be a junior minister from the point of view of service I am sure he is not a junior minister from any other standpoint. I am sure he will guard the taxpayers' dollars as closely as possible. I am also sure he will find examples of waste and extravagance for which some of his own cabinet colleagues are responsible. If waste and extravagance are to be found there, what kind of example are they setting for individuals in the public service?

• (4:10 p.m.)

I have no doubt that in the days ahead the minister will do an outstanding job and will be a credit to our area. I have told him previously, and I do not hesitate to tell him again, that I am quite willing to give him any assistance he may seek from me at any time because I believe that at all times he has the problems of our area very much in mind.

However, I believe that some of the developments that have taken place and are continuing to take place since the last federal election are disturbing Canadians. He has some control over certain developments and I would like him to use his ability to correct anything which might be damaging to the nation's taxpayers. After all, we are all protectors of the taxpayers, and each day we spend their dollars.

I shall not comment on the shipbuilding program. My colleague from Central Nova will do so. On more than one occasion he has questioned the minister about it. I also know that the hon. member for Dartmouth-Halifax East will be asking certain questions of specific concern to him dealing with Fairey Aviation and other matters. I congratulate the minister for the effort he has made to adopt as many of the recommendations of the Glassco commission as possible. I am pleased to see the grasp he has already acquired of this department. It is not a small department. Any department that spends $1 billion per year is a mighty big one and one that is bound to weigh heavily on the shoulders of the individual in charge of it. In conclusion, Mr. Chairman, I hope the minister will give serious consideration to the concern I have expressed about a number of specific things, and I wish him well in the days ahead.

Mr. Saltsman: Mr. Chairman, I would like to join the hon. member for Cumberland-Colchester North in wishing the minister well in his new portfolio and in congratulating him on his maiden speech. It seems to me that about the only speeches we have heard from him so far have been maiden speeches. It was not so long ago that he addressed the house as a very brilliant backbencher and we congratulated him on his forthrightness. I do not know how much farther he can go because the room at the top is getting smaller all the time.

As a sign of the affection in which I hold the minister I shall refrain from making a speech to him today. However, I would like to ask him a number of questions. The first is in reference to a section of the Watkins report on foreign ownership and the structure of Canadian industry, prepared for the Privy Council office. This is the section dealing with extra territoriality, and if I may refresh the minister's memory I shall quote from paragraph 2 on page 407:

> It is recommended that, with respect to United States restrictions on the freedom of its Canadian subsidiaries to export, a government export trade agency be created with the necessary powers to ensure that export orders are filled when they conform with Canadian law and Canadian foreign policy. State trading organizations of communist countries could register orders placed with Canadian firms with the agency. Where an American subsidiary refused to fill a bona fide order placed with it, the agency would assist in having the order placed with a Canadian-owned firm or a firm owned overseas. Where no such firm could fill the order, the American subsidiary would be require to show cause to the agency. If the agency judges the sole inhibition to be American foreign assets control regulations, the agency would purchase the item on its account for resale to the state trading organization, with supporting legislation making it a criminal offence for a firm to refuse to sell to the agency at existing market prices.

Having read the annual report of the Canadian Commercial Corporation it seems to me that in effect we have such an agency in Canada that would fulfil the requirements mentioned and would consider the dangers pointed out in the Watkins report. I read from page 5 of the annual report of the Canadian Commercial Corporation:

> The principal purpose of the corporation is to act on behalf of the Canadian government as the contracting agency when other countries and international agencies wish to purchase defence and other supplies and services from Canada on a government to government basis.

Does the minister see the Canadian Commercial Corporation as a suitable agency to fulfil the recommendation of the Watkins report and, if so, is it his intention to see that that agency carries out the Watkins report recommendation? I shall give the minister a chance to reply before asking him further questions.

Mr. Jamieson: As you know, Mr. Chairman, and as the hon. member knows, the Watkins report is being considered by the government and to date no decision has been made on what portion or whether all of it is going to be implemented. In a sense, and with deference to my good friend, I could say that his question therefore is hypothetical in regard to whether the Canadian Commercial Corporation could be used for this purpose. I am not at all sure that my answer will be satisfactory on this ground, that I am not in a position to say whether we could use the Canadian Commercial Corporation to implement something which is not yet government policy.

I believe the Canadian Commercial Corporation illustrates the positive way in which this kind of international relationship can function as opposed to the idea of providing prohibitions, penalties, or something of that nature. Certainly in the field within which the

corporation functions—and it is not only in relation to the United States but to some European countries as well—its effect has been very salutary in terms of getting additional business for Canada.

From my limited experience, which I hope the hon. gentleman will appreciate, I do not recall any case where a Canadian subsidiary refused to produce anything we wanted. Generally speaking it is the other way around. They have been most anxious and have cooperated fully, whether they have been wholly Canadian owned companies or subsidiary companies, in the manufacture of those items which, as a result of the activities of the corporation of my department, have been offered to them. The chief example, and the one which I used in my opening remarks, concerning the Netherlands air force is the most immediate one I can cite in support of this position. I would like to look further into the question to discover whether a case has arisen such as outlined by the hon. gentleman. I would be very surprised if that were so. I think its functions are in the reverse order. On this basis it has been useful in getting business for Canada, both in respect of wholly Canadian companies and subsidiaries. I shall be pleased to amplify if I have not adequately answered the question. I am sure the hon. member can appreciate the difficulty in view of the fact that the Watkins report has not been declared government policy.

• (4:20 p.m.)

Mr. Saltsman: Mr. Chairman, I hope you will provide me with some latitude for clarification of this question. The passage I read from the Watkins report, where the recommendations to the government are stated, seems to me in some ways to be covered by the terms of reference of the Canadian Commercial Corporation. There does not seem to be any difficulty so far as the Canadian Commercial Corporation carrying out the intent of the Watkins report is concerned.

I should like to ask the minister whether his department has been asked to examine the Watkins recommendations with a view to stating his position to the government. I believe the minister stated something along the line of the information I am seeking in my second question. However, I should like to have clarification. At any time has the Canadian Commercial Corporation been refused goods that it ordered? Then I have a third question. At any time has a country like Cuba tried to place an order through the Canadian Commercial Corporation? If so, the minister might give me some indication what the response of the corporation has been to such a request. A few years ago there was considerable publicity over the fact that some United States corporations felt they were not in a position to mill flour for the Cuban government. I should like some information concerning the position of the department at that time.

Mr. Jamieson: Mr. Chairman, I shall be glad to find this out, but if the hon. member would permit me I should like to take a few moments to do so. This was before my time of responsibility. In answer to the second part of the question with regard to whether or not we were ever refused, while I do not know the answer the information conveyed to me is that the answer is no. However, I shall arrange to obtain the answer for the hon. member.

In so far as the operations of the Canadian Commercial Corporation are concerned I should like to examine the terms of reference to determine whether there is some expanded role for this corporation which would be profitable and useful. As things stand at the moment its fundamental and almost exclusive function is to deal with foreign governments and provide the financing needed to bridge, as it were, the financing between the Canadian industry involved and a foreign government until such time as payment has been made by that foreign government. It has largely restricted itself to that area. However, I most certainly will take note of the hon. member's observations on this point. I will see whether there is an ability to do this. I shall also endeavour to obtain an answer to the other two questions.

Mr. Saltsman: Mr. Chairman, I appreciate that the minister will require some time and that he will wish to consult with his departmental officials before giving an answer. I wonder whether he would also consider this request? Would his department consider a somewhat more aggressive and enlarged policy in terms of informing foreign countries of their services? Perhaps there is such a policy; I do not know. If there is, I have not heard of it. I should like to know from the minister, first of all, whether his department does pursue such a policy aggressively in the sense that it has liaison with other countries whereby it tells them of the services it has to offer

and indicates the willingness of the department to purchase on their behalf. Would the minister give us a report in this regard, first of all, in respect of the present policy and, second, in respect of the future work of the department?

Mr. Jamieson: Mr. Chairman, in outlining the summary of the activities of the department at the beginning of my remarks there were so many headings that I neglected to inform hon. members of one of the elements which has been taken out of the Department of Defence Production or its progeny, I suppose, the department of supply and services. I am referring to the international programs branch. Up until the transfer of duties was promulgated, if that is the correct term, in July the international programs branch was under the direction of the Minister of Defence Production and did precisely what the hon. member has outlined. It was considered, and I believe it was a wise consideration, that this branch more properly belonged in the Department of Industry, Trade and Commerce. The international programs branch has now been transferred. Its objectives are precisely what the hon. member mentioned.

This branch maintains a liaison with the various world capitals and with other centres of commerce and industry. The representatives of this branch aggressively search out opportunities for sales of Canadian produced materials and items of a variety of types. As a department of supply and services we will still be involved in this in some degree through the Canadian Commercial Corporation in the manner I outlined in providing a degree of financial help and of course in our fairly considerable program with other countries in research development and related matters. So in a sense it will be a conglomerate in that there will be portions of responsibility which will be vested in my department and some which will be vested in the Department of Industry, Trade and Commerce. In addition, some will indirectly be the responsibility of my colleague the Minister of National Defence.

It is very difficult to divide the line here. But I suspect that as the amount of fall-out—this is how it is described, although it may be an unfortunate term—benefits increase from a civilian point of view as a result of the developmental projects in which we engage, it will become more a matter for industry than for the supply and services department of which I will be the head. Perhaps I might illustrate this by giving a couple of examples. The twin-engine Otter aircraft which had its essential beginning in relation to the Department of National Defence now has emerged as a very successful type of aircraft for civilian use throughout the world. Similarly, there is the Buffalo aircraft. From the results of our development work there has emerged, for example, a water bomber and so on. As these things involve largely a civilian function I think the hon. member's question would get a more thorough answer from the Minister of Industry than from me. I assure him, however, that we are pursuing a most aggressive sales policy in both the departments I have mentioned.

Mr. Saltsman: Mr. Chairman, I shall leave this question for the moment, although I intend to pursue it at another time. I see the difficulty in terms of turning this publicity agency over to the trade and commerce group which I think is essentially oriented toward trade between private individuals and the encouragement of trade between private corporations and governments.

Mr. Jamieson: May I interrupt to say that the Canadian Commercial Corporation is involved in a government to government kind of operation and in that context we must keep up the kind of liaison mentioned.

Mr. Saltsman: Yes, and in view of the fact that such a large part of the world has established state trading corporations, it would seem there would be a real need for the department to have an aggressive policy of maintaining contact with the state trading corporations with a view to assisting them in their purchasing. However, we will leave that for the moment.

Mr. Jamieson: If I may interrupt, I have been advised—I knew this but I had forgotten—that the estimates of the Canadian Commercial Corporation have been referred to the standing committee on finance, trade and economic affairs. So there will be an opportunity in committee to explore these questions in detail.

• (4:30 p.m.)

Mr. Saltsman: I should like to direct a question to the minister regarding the change-over from military to non-military work in some of the agencies connected with his department. Hopefully, it looks as though the war in Viet Nam may be drawing to a close, and military orders in respect of cost

sharing programs may be undergoing a change. We have built very substantial facilities in this country geared to military sharing and the provision of aircraft and other types of equipment. Can the minister give us some indication, first of all, as to what plans his department has for this change-over and, second, to what extent difficulties will arise from this change?

Mr. Jamieson: Mr. Chairman, like my hon. friend, I am relieved to know that at least from all appearances the Viet Nam situation is cooling off and, God willing, it will no longer be the threat it has been for so long.

For my own part, and I have stated this on many occasions since assuming this responsibility, it is my opinion that our Canadian defence oriented industries should be making a maximum effort to reduce their reliance on defence spending. I happen to feel philosophically, apart from all other considerations, that the faster we can beat our swords into plowshares the better it will be for all concerned. This is the philosophical approach to the matter but there is a very practical one as well.

As hon. members will know, a review is under way of our defence posture, but even if the situation were not to change at all—I assume, as I hope we all will, that there is going to be a lessening of world tenisons—the fact of the matter is that defence oriented industry as such in Canada cannot be supported to the degree it will need in respect of production and income by defence oriented contracts.

There are a variety of reasons for this, and my hon. friend will understand if I do not go into them in detail because this would to some degree waste the time of the house. There have been things which are prolonging the life of more and more of our armed forces units. For example, the need for repair and overhaul is to some degree reduced by new methods and techniques. Similarly, if our budgetary position or decision, conscious and deliberate, was inevitably to reduce the amount of activity in which these industries are engaged there would not be the same need for repair, overhaul or replacement.

We have to concern ourselves, and I think the primary responsibility is on industry, with taking the knowledge, first of all, that we have acquired through all these affairs of defence production and, second, utilizing the very substantial amount of equipment and plant, a very large percentage of which was provided by public moneys, and find uses which are civilian oriented and will fill what I have suggested to industry on a number of occasions are vacuums in the needs of industry or the civilian community which are not now being filled in Canada. I believe there is a good deal that can be done in this direction and I have accorded this top priority within my department in order to encourage the maximum amount of creativity on our part so we may make the proper kind of suggestions to these people for new uses of equipment and the like and, second, for a maximum amount of creativity on the part of the industry concerned so it too can have a more dependable base than it can ever hope to have as a war oriented industry.

I am happy to be able to tell the hon. member in this regard that there have been extremely satisfying results in some areas. He may have noted from the newspapers and other news reports in recent days an indication of the development of the DC-10 program, the Douglas aircraft program. As a result of a co-operative effort on various intergovernmental activities with the United States a very large subcontract has come to us. If the DC-10 is as successful as it now appears likely to be, there will be a benefit in this regard not only to one plant in Canada but to several other plants because there will be other subcontracts. This is a commercial type aircraft. I mentioned earlier, and I hope I will be forgiven for repeating myself in this regard, that the Canadair facilities and the expertise and knowhow which they have developed largely, although not entirely, with our help, have now enabled them to design a water bomber which I understand has a potential market throughout the world.

These are the ways in which we are moving and I assure you, sir, that for our part we will keep trying to find these new ways and we will keep urging industry to do so. I could relate this matter, but I will keep my answer to the question asked by the hon. member, to the questions asked by the hon. member for Cumberland-Colchester North. He raised a matter in relation to the regional problems that this has created, but generally speaking we are moving in the right direction.

Mr. Saltsman: Mr. Chairman, I am pleased to note that the minister is aware of the necessity for placing top priority on his operation "plowshare", if we may call it that. This is necessary for a number of obvious reasons. First of all, this is a difficult problem which will require advance planning. Second, it

might happen that this situation will develop very quickly, and the government should not be caught with its trousers in the half-mast position. I use that term in speaking to a man from the maritimes. Third, having accepted these plans we must realize that these industries are located in various parts of the country where there are very few alternative sources of employment. It is vitally necessary for the department to have very firm and convincing plans about what it intends to do.

I do not wish to press the minister further, but I should like him to make a statement in the very near future indicating, first of all, the priority his department is giving to this matter and, second, what it intends to do, It is not good enough to say that he is aware of the problem and is giving it top priority. We hear this from every minister. We must know what kind of people the minister has at his disposal, how qualified they are to do this job, the size of this group and what tentative plans they have reached. This is very important and those of us who are in the house today do not want to have to get up some day and say to the government that we pointed out the urgency of the matter. It is vitally important that the minister anticipate the difficulties and do some very substantial planning.

Let me move on to a question in relation to drugs. I presume the department of supply purchases drugs for various government agencies including the armed forces and hospitals. Is that correct?

Mr. Jamieson: I do not know to what extent we have assumed this function, but I did say earlier that there is a transitory period under way at the moment. We have taken on certain responsibilities from certain departments. If the hon. member will give me a little time I think I can get an answer for him. My recollection is that we do but I do not wish to deceive the hon. member.

Mr. Saltsman: Mr. Chairman, when the minister is pursuing that question will he check with the officials of his department to find out whether they would be amenable to purchasing drugs on behalf of provincial agencies and provincial hospitals? Perhaps this is a matter of government policy, but I understand that the federal government makes substantial purchases of drugs and is able to obtain excellent prices and services from drug manufacturers. Perhaps it would also be willing to do this kind of purchasing on behalf of provincial agencies if such a request were made to it.

[Mr. Saltsman.]

• (4:40 p.m.)

Mr. MacEwan: Mr. Chairman, as did the hon. member for Cumberland-Colchester North I also wish to make to the minister a few representations regarding the shipbuilding industry. I commend the minister's appointment to the cabinet. May I say that since he comes from the Atlantic area where shipbuilding is most important and where the sea is at our gates I look to him for great things in the cabinet in regard to this most important industry.

I should like to refer to the debates which have already taken place in the house during this session. I will not repeat what some of my colleagues have said. For instance, the hon. member for Saint John-Lancaster presented a notice of motion during private members' hour regarding a marine policy and he pointed out at that time how the ship owners and the shipbuilding authorities were in agreement on the fact that a policy must be forthcoming at an early date.

In answer to a question I asked the minister last Friday he stated that he was meeting with officials of the shipbuilding industry. Like his predecessor twice removed, Mr. Pickersgill who has gone to fairer fields, he would not give a date on which he thought a statement would be made. I asked the former minister at one time whether he could give us a date when a statement would be made but he said he was not going to be caught on a date limit. I do not blame the minister for that but may I say that I believe it should be done at an early date.

The minister said in his statement that his department would be assuming the shipbuilding role of the Department of Transport. In answer to questions which I put to him in the house in the last few weeks he stated that he, the Minister of Transport, and the Minister of Industry, Trade and Commerce had met with the officials of the shipbuilders association. He stated at the time that probably the Minister of Transport would be the one to make a statement on shipbuilding policy. However, in view of the new role assumed by the department I hope the minister will be the one to undertake this important task.

If my memory serves me correctly, it was about the year 1961 that a shipbuilding subsidy program was introduced. I remember it well because it was nurtured and initiated by the former head of the Canadian maritime commission, Mr. Alex Watson, who is now with the Canadian Transport Commission.

This program was a creature of his, one on which he worked hard. I remember being in his office a number of times and discussing it with him. He had a black book in which the beginning of that policy was written down. He liked to show hon. members, especially those from the Atlantic area and those from other parts of Canada where the shipbuilding industry is important, what this policy would be. Finally it was brought forward. It did a great deal to encourage Canadian shipbuilders. Before that program was established they were competing with shipbuilding firms in other countries and we were losing a great deal of our shipbuilding business to them.

The initiation of this policy, not only for commercial vessels but also for fishing vessels, meant a lot to our shipbuilders and enabled them to compete with shipbuilders of other countries. This subsidy has been cut back to 25 per cent and by 1970 or 1971 it will be further lowered to about 17½ per cent. Of course we know that subsidies for the fishing trawler program have been cut back from 50 per cent to 35 per cent. It is most important that there be a marine policy coupled with a policy in regard to our shipbuilders at an early date.

I am thinking now of the unemployment in shipyards throughout this country, on the west coast and in the great lakes area where a shipyard was closed not long ago. I am also thinking of the shipyard which is the main industry in the town of Pictou in my constituency. Until July or August of this summer it employed about 400 men but has now cut back employment to 100 or 150 men. I point out to the minister that this industry is a most important one. In this connection may I draw to his attention an article which I believe appeared in June of this year in the *Chronicle-Herald,* written by Mr. John Meyer, a well known financial critic in Montreal. This is what he wrote concerning the George T. Davie yard:

> The decision to close down Geo. T. Davie followed by an offer from Davieship for the useful physical assets of the yard, became inevitably a political issue. The minister of manpower has since sought to resolve it by having the frigate *New Liskeard* and a smaller vessel diverted to Lauzon for refit. The *New Liskeard,* at least, was to have refitted at Pictou, N.S., which—only incidentally, of course—is located in a riding held by a Conservative.

Pictou is in my constituency, and I was most interested in this article. The yard in Quebec has not seen this ship; neither has the Pictou yard. I want to ask the minister where the *New Liskeard* is and whether she will be refitted. I think tenders were up on October 10. I know the *New Liskeard* is not in Pictou, nor is she up the river. She is a ghost ship. At one time a ghost ship used to appear at Pictou and my wife's people as well as an old sea captain used to tell me stories about the phantom ship. Now the *New Liskeard* has become a phantom ship. I know why it has not been refitted but I would like to find out what the minister has to say about it.

To go back to the article I was reading which, by the way, is entitled "Political Play No Answer For Stricken Shipyards", may I say that Mr. Meyer had some interesting things to say. The article continues:

> There is probably a valid case to be made for rationalization of the Canadian yards. There is not the volume of business now available, or likely to be made available by increased subsidies or other forms of assistance to the industry, to support capacity operations in more than the major yards on the two coasts, the St. Lawrence and possibly on the great lakes. One yard has already closed on the west coast and another on lake Ontario, in addition to Geo. T. Davie.
>
> To what extent closing the marginal yards has been accelerated by the progressive reduction in subsidies to builders, currently 25 per cent and to be lowered over the next three years to 17½ per cent, is difficult to say. Certainly, it has done nothing to slow the process. The fact remains that with the slowdown in naval and other government construction and with commercial contracts originating in the coastal and fishing traffic, the business just isn't enough to keep all yards active.

Then Mr. Meyer points out, and the minister also suggested it, that in various types of industry, such as the aircraft industry which is important to the hon. member for Cumberland-Colchester North and the shipping industry with reference to which I can point to the yard in my own area, there has been some diversification so that various components such as drums for oil companies and so on are now being made. I certainly agree with the minister that one cannot expect the government to do everything. There must be diversification. At the same time some assistance must be given to this important industry.

I should like to continue quoting from the article written by Mr. Meyer. He goes on to say:

> Underlying these considerations, is the absence of a consistent and constructive maritime policy which extends to both builders and operators. It is all very well to establish a frame of reference for rationalization through reduction of subsidies

and adoption of competitive bidding for government contracts but with rationalization now progressed to the extent it has, the time has come to assure the continued existence of the remaining yards.

I should like to emphasize the last sentence in particular, that the time has come to assure the continued existence of the remaining yards.

I do not intend at this time to go into the matter of naval contracts. I know that the hon. member for Dartmouth-Halifax East will wish to speak on that subject. However, I wish to point out that according to the latest statistics employment in Canadian shipyards has dropped from 17,000 to 9,000 men.

Mr. Jamieson: Over what period?

Mr. MacEwan: During the last year or two, I believe. I can give the figures to the minister later. Right now I do not wish to delay my colleague. Perhaps the minister could advise us whether or not these figures are right. They are the latest figures, and I believe they cover a period of two years.

• (4:50 p.m.)

In any event, suggestions have been put forward by various representatives of the shipbuilding association and various shipbuilding companies. I believe this article, of which the minister is well aware, by Mr. Axelson, the editor of *Canadian Shipping and Marine Engineering News,* contains some suggestions which have been used quite effectively in other countries. I was interested in the table appended to the article, which points out the assistance given in other countries. One suggestion which has been made, of course, is the continuation of subsidies. In this regard I should like to mention subsidies to fishing trawlers. The minister may say that the fishing industry is in such bad shape that it does not need new trawlers. However, industries have been set up in this country which have been given generous subsidies, up to 50 per cent. I can see that the brake should be put on the shipbuilding subsidy program. I believe the minister should consider the possibility of granting subsidies for the modernization of trawlers, for instance, from a side trawler to the stern trawler type. This would relate to existing companies. When the minister is attempting to arrive at a policy he should consider the fact that it is most important that we have modern trawlers. I can think of several established companies that could benefit from such a program.

[Mr. MacEwan.]

Another aspect to be considered is tax concessions. I know this is done in other countries. Consideration could be given to long term financing and depreciation allowances. I believe that when the hon. member for South Shore spoke in the throne speech debate he made some suggestions concerning what he called investment allowances which are used in the United Kingdom. When these suggestions are all tied together they form a most important element in the consideration of this matter. A policy decision by the government in this regard is urgent.

I noted with interest an article, and I do not intend to go into it, by Mr. Papachristidis of Montreal, who is one of the leading shipowners in this country. He made some very interesting suggestions for helping not only our marine policy but the establishment of a Canadian merchant marine and assistance to Canadian shipbuilders.

I believe that is all I wish to say at this time except that I should like to stress again the necessity of arriving at a policy at an early date which will assist the Canadian merchant marine and also our important shipbuilding industry. I was interested to note that the brief from Montreal quotes the words that are imprinted over the doors of the House of Commons, "The wholesome sea is at her gates, her gates both east and west". Now, is it strange that we should love this land, our land, the best? I hope the minister will not forget that we are a maritime nation and that shipbuilding concerns are of importance to the economic life of Canada. They are vital to us as a coastal country. I hope there will be a revitalization of our subsidy program or that some of the other suggestions I have made earlier will be put into effect. We will be waiting with some anticipation outstanding results from the minister.

Mr. Mather: Mr. Chairman, among the multitudinous activities of this department which were outlined rather interestingly, I thought, by the minister, there was one of special interest to me and I believe to a great many Canadians who drive cars or trucks. I refer to that branch of his department which I believe is known as the Canadian Specifications Board. Among the responsibilities of this board is the setting of standards of safety for the construction and operation of vehicles. Those of us who were members of the last parliament recall the number of bills put forward by members on the subject of automotive safety. These bills were referred to the

justice and legal affairs committee and we had the benefit and counsel of some of the officers of the specifications board. I think I can speak for all members of that committee when I say that we benefited from their advice.

The work of the specifications board is of extreme importance to almost all Canadians. Every year about 5,000 Canadians are killed on the highways of the country, 150,000 are injured and some $600 million or $700 million per year is the economic loss resulting from traffic accidents. It can be seen, therefore, that the specifications board carried a very heavy responsibility on its shoulders because this toll is really warlike.

About a year ago, Mr. Chairman, following the report of the justice and legal affairs committee, the government announced that it intended to set up a new program under which a public safety board, would be established. This board would encourage and expand the work of the specifications people in the interests of Canadian safety. We applauded that decision, but actually very little has been done toward implementing the government's announced program. The performance of the government in this regard reminds me of the performance of some of the sports cars one sees throughout the country, not much speed but a great deal of noise.

I realize that the minister concerned with the safety program is the Minister of Transport. Every few weeks we ask him what is being done about setting up the public safety board as well as encouraging the work of the specifications people with regard to the components of the vehicles. We get very little in the way of a satisfactory reply.

I have received complaints from an automobile dealer in Ottawa to the effect he does not wish to sell a car which he is importing because there are no standards set for the safety of a three point seat belt. This car is equipped with such a seat belt but he does not want to sell it because he does not want to take the responsibility for marketing an article for which there is no specified standard of quality in Canada. This is his complaint to me. I urge the Minister of Defence Production, who has responsibility for the specifications board, to do all he can to speed up the activities of that body. If possible, perhaps he could go beyond that and encourage the Minister of Transport to spare some time from looking after harbours in Vancouver and housing across the country to get some action in establishing the very necessary public safety board to deal with matters of automotive safety in Canada. I find it difficult to imagine anything that is more important or would save more lives than a better policy for traffic safety.

• (5:00 p.m.)

Mr. Jamieson: May I answer a question that was asked earlier? I do not know whether the hon. member is in the house at the moment but I am sure he will get news of the answer. I said I was not sure what our involvement was with regard to the purchase of drugs. I am told we do buy all drugs for the Department of National Defence, Department of Veterans Affairs and the Department of National Health and Welfare. In addition, we are quite prepared to discuss with other agencies, including provincial agencies, possible joint purchasing programs. This is a matter that is under review, and I gather some initial discussions in this regard are taking place.

My hon. friend who asked about the *New Liskeard* is no longer in the chamber so I will keep the answer to his question until later.

Mr. Forrestall: Mr. Chairman, I have a series of questions more than anything else at this stage of the minister's estimates. May I join with previous speakers in congratulating the minister on his new role and I wish him well. Many of us will be looking to him on a continuing basis as time goes by for answers to our questions.

The minister mentioned drugs, and I must not let the opportunity go by to ask those who purchase drugs not to get involved with counterfeit drugs about which I have been harping in this chamber for the last few weeks. I have indicated to the minister that there is sufficient of a contraband substance, which is the constituent of a very popular brand of drug made in Canada, in the hands, I understand, of the Mafia to produce some 10 million tablets. To date about 500,000 tablets have been recovered. I simply indicate that there are 9,500,000 of these tablets made from counterfeit drugs on the market. Whether this substance has all been converted to tablet form yet really does not matter because the conversion is very easy. However, I would ask the minister, in the interest of our veterans and hospitals across Canada, to exercise caution in this matter. The department purchases its supplies in bulk and it is very easy to slide in a few hundred thousand tablets of counterfeit drugs.

The questions I want to ask today are fairly varied. I need not elaborate on them because I think the minister is familiar with at least one of the areas I am concerned about. I refer to the relationship between the government's defence purchasing agency and the plant of Fairey Aviation of Canada which is located at Eastern Passage, just outside the city of Dartmouth. I would ask the minister, at some later point in the discussion of his estimates, to bring the house up to date on a number of questions that were asked by representatives of the international association of machinists and aerospace workers. Members of the House of Commons were also present at the time in the minister's office. In this connection I am pleased to see the Minister of National Defence with us in the house.

There is one way in which these workers can receive assistance. I refer to working-out parties at the Canadian Forces base, Shearwater. I might point out that Fairey Aviation is a highly sophisticated and key industry within the metropolitan area of Halifax and Dartmouth, and must be sustained over what is going to be a rough period for the next two or three years.

Up to about two years ago a substantial number of workers not only from Fairey Aviation but from other related firms, such as electronics and radar manufacturers, in order to facilitate the work of the maintenance people within the armed forces at the naval air station were permitted to do technical jobs at the base. At times, this outside work force numbered, if my memory serves me correctly, in the order of 65 to 70 men. However, as a result of the cut-backs that were made during the last two years at Shearwater the situation has changed. In 1960, just eight years ago, 811 shopmen, that is to say, men working in the shop using tools and instruments—sheet metal workers, airframe and engine mechanics, painters and so on—worked at the base. Today there are 317 and actually that figure has been reduced further as of last Friday, though I do not have the exact number.

On the other hand, in the same year, 1960, there were 187 people employed in the management branch. Today there are 221. So we have the number employed on the management side growing and that on the workshop side reducing. I am not in any way suggesting that the company is in error here. Perhaps it is simply the result of the company endeavouring to build up a competent engineering and sales staff so that it can diversify its production. As the minister is aware, the workers realize the necessity for the company moving away from total reliance on military purchases to the area of commercial production—to diversification, which I think is the word most commonly used today.

As I say, I should like the minister to bring me up to date on this situation. I also hope the Minister of National Defence is in a benevolent mood in this regard and will see fit to reintroduce work contracts, if only on a from time to time or interim basis. This will be one of the most useful and readily accessible tools to enable the Minister of Defence Production to assist the plant in sustaining itself over this most difficult two year period. It seems to me that two or three weeks ago an order did emanate from maritime command to employ a small working-out party composed of 12 or 14 men for a specific project at Shearwater.

The policy that has been in effect for, I imagine, about 18 of the 20 years in which Fairey Aviation has been located in this area seems a not unreasonable one, particularly in light of the alternatives. These are pretty straightforward: either close the plant down, or both management and union make an appeal to the government for work under a regional development program. This would involve a department not yet formed and assume policies not yet enunciated or, I suspect, completely thought out. I suggest that the first alternative is unthinkable in terms of its effect on the economy of the Dartmouth and Halifax county area. Its impact on the tax assessment rolls and on the corner store would be the same as anywhere else in Canada. Perhaps the minister would throw some light on this situation.

I would also be grateful if the minister would tell me whether or not he was successful in diverting any contracts for the Yukon aircraft from Canadair in Montreal. Certainly they would be very useful to Fairey Aviation.

The matter to which I now refer may not fall directly within the minister's purview but I would ask him to give me some explanation why competent aircraft inspection teams are finding that roughly 50 per cent of the recommended overhaul, repair and maintenance work is not being carried out by the air force at this time, particularly work on Argus aircraft. Is the reason simply shortage of money? Perhaps there are some specific modification programs that can be deferred without danger to the safety of the aircraft, the air frame, the engines or any of the radio-navigational aids on board.

• (5:10 p.m.)

It is important that the Fairey matter be dealt with quickly. If it cannot be dealt with quickly we should be informed.

I want to know the present status of the general purpose DX program in the United States, as this has some relation to our participation under defence production sharing arrangements with regard to the bear trap or haul-down device for rotary winged aircraft. Perhaps the matter is classified and I shall therefore understand if it cannot be dealt with now. Perhaps the minister might tell us the present disposition of the bear trap program as it relates to our own four destroyer escorts. When may our plants anticipate receiving the benefits of this additional work? Is there a contract for it? Is there any competition? Also, will the addition of this instrument have any great impact on operations?

An earlier speaker touched on the McDonnell-Douglas DC-10 program. I think the minister and Canadian industry generally are to be congratulated for the way in which the matter has been handled. This program is probably the largest single acquisition that has come our way for a long time. That is true, certainly, in the field of commercial aircraft. The dollar benefits are almost unpredictable. Engineers of the Canadian aircraft industry and individuals who took a leading role in this matter are to be congratulated for creating a proper atmosphere which was conducive to the favourable negotiations with the McDonnell-Douglas people. Though the Fairey people have a small part of this contract I wonder whether the minister could make sure that they receive some additional work under the program. I apologize for rambling on about Fairey aviation. Generally the aircraft industry in Canada is in a healthy state. Companies have diversified and are keeping busy. Most of them are expanding rapidly in the field of aircraft and aircraft components and allied fields. Unfortunately Fairey aviation appears to be the one company in Canada that is encountering trouble.

May I also ask the minister to bring us up to date on our four new DDH's—the words stand, I think, for destroyer and helicopter deployment. I have had trouble pronouncing them though we all know what they mean. On February 21 of this year I placed on the order paper the following question which I shall read in part:

1. What is the present total estimated cost for construction of the four new destroyers, including the equipment costs of these ships?

2. When will the review of the bids for the construction of these ships be completed?

And so on. The minister replied that the estimated cost of construction is between $220 million and $225 million. I ask the minister whether that figure has changed since February 21, 1968. If so, in what quantity? Perhaps I should ask, what is the quality of the change? Have components been changed or have they become more expensive? If they have been changed, are the changes substantial? Have the minister's colleagues asked him to buy bigger and better equipment for the ships? An elementary question is, what type of propulsion unit is to power these ships? One type of unit was contemplated and a hull designed for it. Then the unit was changed, the one finally chosen being a gas turbine, I understand.

Mr. Jamieson: If the hon. member wishes perhaps I might resolve that matter quickly at this time. The hon. member quoted the figure that was given in answer to his question, between $220 million and $225 million for the four vessels, and that figure still stands. I am sure my hon. friend will not ask me to differentiate between a DDH-280 and a DDH-283. It is anticipated that two will be delivered in 1971, one in June and one in November, and the other two in 1972, one in June and the other in September. The propulsion units are gas turbines. I hope the hon. member will not ask me to go too deeply into the technical aspect. I know they are approved types of gas turbines to be supplied by United Aircraft of Canada Limited, in Quebec. The estimated price of the propulsion units is about $44.2 million.

Mr. Forrestall: Is that $44.2 million for the four vessels?

Mr. Jamieson: That is the total contract.

Mr. Forrestall: Has the minister been alerted to possible increases in the cost of this program?

Mr. Jamieson: No, Mr. Chairman. For once in our lives the estimate that was provided over one year ago is hanging pretty firm. I am advised that the total amount, as contained in the answer, is to be between $220 and $225 million or in that neighbourhood.

Mr. Knowles (Winnipeg North Centre): The minister ought to quit while he is ahead.

Mr. Forrestall: If he can keep the cost to those figures I shall apologize for any unkind remarks I may have made. I had anticipated the cost rising to the neighbourhood of $400 million for the four vessels. I hope I am wrong. I congratulate the minister on his ability in keeping this type of program within the confines of budgetary commitments. Perhaps it is too early to ask this question but perhaps the minister could tell us what policies are to be followed with regard to purchasing the equipment for these ships, particularly with regard to components having to do with automated fire control systems and so on? Are these specially designed things for which research grants are made available to industry in the hope that industry can develop a special program, or are we simply going into the market and inviting submissions on such equipment? Can the minister answer this question now?

• (5:20 p.m.)

Mr. Jamieson: Not in the detail which the hon. member has suggested. However, in connection with the major items, about 167 contracts have been let for these four destroyers. The main contracts, of course, relate to the propulsion machinery. There is also the Sea Sparrow missile system which is being developed by Raytheon, Canada, Limited, and the five-inch gun—

Mr. Forrestall: The minister need not trouble to go over the whole list. Would he simply tell me how they were purchased?

Mr. Jamieson: It was all in line with the normal kind of purchasing we do. In some cases there was a special requirement and it was obviously necessary to order from a supplier who was exclusively able to provide it, but wherever there was a possibility of competitive tenders being called—and this was in the vast majority of instances—this was done.

Mr. Forrestall: I thank the minister for that information. There are other detailed questions I should like to ask but I shall wait until we get off the generalities of item one. For example, I should like to ask the minister to tell us in some detail what his projected spending on the fleet will be after his present program is completed. I will ask this question in the light of Admiral O'Brien's remarks in Halifax over the week end when he expressed concern about our present ability to meet our commitments. I should also like to ask the minister later about the hydrofoil program, and whether or not the hon. gentleman and his colleague, the Minister of National Defence, are any closer to a decision about the refueling tanker, or the role of the CF-5. What order of expenditure is the minister budgeting for through the next four or five years? But I will wait until we reach a more appropriate point—items in connection with which we can be given information in some detail. Again, I wish the minister all the best in his undertakings.

[*Translation*]

Mr. Dumont: Mr. Chairman, allow me to make a few remarks about the estimates under consideration this afternoon.

The study of that department's estimates reminds me of a question I asked last Friday. I was wondering if any attention was paid to the reports of the experts who stated that a saving of $10 million was possible should the maintenance base for jet airplanes in Winnipeg be closed and transferred to Montreal. I hope that this needless expenditure which would be incurred if the base were maintained will be considered because it has been asked that it be phased out gradually until 1973.

I hope that the department representatives will accept to meet the members of the Q.F.L. to discuss the recommendations made by the committees of experts. We receive at our offices reports and studies of all kinds and if, after the statements by the experts, the need to make those studies over again is felt, there will be no end to all that, and I feel that the fact that a saving of $10 million can be made by moving the base from Winnipeg to Montreal will weigh heavily in favour of that move.

Like the member who spoke before me, I should also like to draw the attenton of the house to the Lauzon shipyard. I know it well, for several of my friends and relatives work there. We were not indifferent to the human tragedy that occurred there in 1967-68. We kept hoping that the member for Lévis (Mr. Guay), would mention to the house the disaster which left over 1,000 workers unemployed. The situation is odd for two miles further up the river from the shipyard known as "le petit chantier"—since the Davie Shipbuilding yard is still in operation—which belonged to Canadian Vickers and was sold to Davie Shipbuilding, there is the Lévis ferry-boat

crossing. Ferry-boats would be needed there to transport cars between the two shores without some cars having to wait, as long as two hours sometimes, on the Quebec side as well as on the Lévis side.

Now, while workers at Lauzon are looking for work because they refused to go to Newfoundland—after having lived there for 20, 25 years, with their families, their friends, their common heritage, they did not want to leave Lauzon—there is a shortage of boats nearby, and subsidies are not even made available to provide for larger and faster ferry-boats between Lévis and Quebec. Some of the ferry-boats now being used were built in 1927 and in winter they cannot take more than 25 cars at one time when, in fact, 1,000 cars per hour should cross from one side of the river to the other.

Here is an example of what goes on in that part of the province: last Friday, it took me one hour and ten minutes to fly from Ottawa to the airport at L'Ancienne Lorette; it took me exactly one hour and fifteen minutes to cross the Quebec bridge, on my way from the airport at L'Ancienne Lorette to Saint-Nicholas. We put up with that because the ferry-boats between Quebec and Lévis cannot take cars for lack of space. Everyone uses the Quebec bridge and the situation is deplorable.

There are anomalies, such as stupid statements of which, amongst others, that were made last week by the member for Quebec East (Mr. Duquet) who spoke instead of the *Grande Hermine*. He did not know where the *Grande Hermine* was hiding. He went to Montreal then to Quebec, to be told by the Minister of Indian Affairs and Northern Development (Mr. Chrétien) that instead of giving work to the labourers at the Lauzon shipyard, the *Grande Hermine* would finally be taken to Lauzon, and winter there. They are trying to save face by talking about the many advantages of the proposed Cartier-Brébeuf park, but nothing is done to diminish the unemployment which affects many families on the south shore.

• (5:30 p.m.)

Unfortunately, the hon. member for Lévis has not yet expressed his views. We, on this side of the house, expected him to mention this deplorable situation. I see that he is not in the house today—incidentally, he is not here very often—and the people of his riding must often think that they might as well not have a representative in parliament. Unfortunately, my friends believe that silence should be kept concerning situations of this sort.

Mr. Chairman, in concluding my remarks, I would like to say that we support the idea of a merchant marine, since our workers want to work and are ready to give the best of themselves, but we do not want to see sacrificed for nothing these ships which have cost millions of dollars.

For example, a Greek, Mr. Onassis, who recently married Mrs. Jacqueline Kennedy, once bought a Canadian ship for only $70,000. Today, that ship is apparently worth $500,000. If we already had ships which cost millions of dollars to build, I cannot understand how one man was allowed to make such a huge profit—they say he is worth $500 million—while we in Canada, thanks to the St. Lawrence which is open to ships of all nations could have built up a merchant marine of our own which we would still have and which would prevent a few individuals from getting rich at Canada's expense.

In closing, after these few remarks, I ask a question to which I hope I shall get an answer. How can we explain the transfer to Newfoundland of the Lauzon shipyards in an attempt to force our Lauzon workers to go and work in Newfoundland which, for us Quebecers, almost means a deportation.

We, on the south shore, judge as abnormal such a deportation of workers to Newfoundland. We would rather ask that shipyards such as those in Lauzon continue to be prosperous as they were during the war.

[*English*]

Mr. Jamieson: Mr. Chairman, I hope that in his native tongue the hon. gentleman was not using the word that came through in translation. I am sure he did not mean to suggest that people from Lauzon are being deported to Newfoundland. We are a little removed yet from the category of Devil's Island.

[*Translation*]

Mr. Dumont: The minister might wait until tomorrow to read my statement to the effect that the Lauzon workers who were forced to go and earn their living in Newfoundland on account of the subsidies granted to that province thought they were deported.

[*English*]

Mr. Marshall: Mr. Chairman, on rising to speak on the estimates of the new department of supply and services I also offer congratulations and best wishes to the minister, but as a new member and a comparatively modest businessman I am a wee bit suspicious of the words he used today in explaining how he

will go about operating his department, taken in conjunction with words he used recently in Newfoundland.

The operation of his department, as he pointed out, is a heavy responsibility. The minister is charged with the duty of spending $1 billion for purchases for various departments. I wonder how he can reconcile his statement today with a statement he made recently in Newfoundland defending the waste in spending by the premier of that province. In Newfoundland he said:

> Unless we are prepared to gamble with the future we will find that in 50 years we are a sorry duplicate of the maritime provinces.

He went on to say:

> If it comes down to good hard logical and taking chances then there is no question as to which side of the argument I am on.

I sincerely hope that he does not apply this gambling technique, which has been so harmful to the financial situation of Newfoundland, in carrying out the heavy responsibility involved in spending the vast sums of money over which he has charge.

In conclusion, Mr. Chairman, I hope he will give sympathetic consideration to a petition forwarded by the citizens of Stephenville who are facing the disposal of the Air Canada terminal building there by the Crown Assets Disposal Corporation. When he receives their brief I hope he will decide not to dispose of the terminal building to anyone but the citizens of Stephenville.

Mr. Jamieson: I am sure, Mr. Chairman, the hon. member would like to qualify his opening gambit. For the record, what he quoted was probably essentially correct but to some extent it was lifted out of context. However, that is beside the point. I am not aware of any petition which has reached my office yet, but I can assure him that it will receive every consideration. May I ask the hon. member whether it is due to arrive shortly?

Mr. Marshall: I have a copy in my hand. It was given to me as I left to return to Ottawa. I think the minister's copy is on the way but if it would help I am willing to lend him the copy I have.

Mr. Jamieson: If it does not reach me within the next day or so I shall let the hon. member know.

Mr. Coates: In a general way the Glassco commission was fairly critical of the Crown Assets Disposal Corporation in its present form. The minister did not mention the corporation in his opening statement and I would like him to enlighten the committee on his intentions with regard to this agency.

Mr. Jamieson: Yes, Mr. Chairman. I guess I ought to apologize for not referring to the Crown Assets Disposal Corporation. The reason I did not is that there is not a particular vote with regard to it, and I was merely looking at the different headings in the estimates. A number of suggestions put forward from time to time with regard to the corporation, including suggestions by the Glassco commission, have been implemented. I am satisfied that present procedures are an improvement on what they were previously. We have a very aggressive general manager in crown assets today. He, along with the president of the board, has been reviewing their techniques and procedures. A good deal has been done. For myself I am not entirely happy that we have got the optimum situation yet. I have begun a series of reviews with crown assets on their methods and practices with a view to increasing the corporation's productivity and its returns to the Canadian taxpayer.

The hon. member for Central Nova asked me a question about the *New Liskeard*. This vessel was to be phased out and there was a time lag between the time she would no longer be serviceable and the time when her replacement, *The Quest*, now under construction, would be ready. It was determined in the first instance that the amount of work intended to be done on her was really too costly in reference to the length of time she would be in service. Therefore the decision was made not to proceed with her repair and overhaul.

Subsequently it was suggested that there might be a period during which she would have to be employed before *The Quest* was ready, and so absolutely minimal repair and overhaul proposals were made. Again in a third phase, as *The Quest* program was stepped up and it became evident that this vessel would be available more quickly, it was decided not to proceed with any expensive repairs.

The hon. member for Frontenac made reference to Mrs. Kennedy purchasing a vessel from us previously. Mr. Chairman, I would be only too glad to enter into negotiations with her about the *New Liskeard* in a few months.

Mr. Lundrigan: Mr. Chairman, I have been trying to get in a question all afternoon. I had not realized that my hon. friends were so adept in presenting their viewpoints, and I had figured that these estimates would have been passed quite some time ago.

We were all impressed by the minister's opening statement. He showed by his attitude that he is very capable of running his department. We are also happy that the Minister of National Defence has the attitude he has toward the eastern part of Canada. He has been very co-operative with my colleagues on several matters. The question I wish to ask is not directly related to the minister's department. I am thinking of the national defence training base in the most easterly Canadian province. Some time ago questions were asked of the minister about Russian activities off the east coast of Canada. These aroused quite a bit of interest in the eastern part of Canada. We on the east coast are always a little leary of Russian activity and we recognize a need to step up defence activity on the eastern seaboard.

• (5:40 p.m.)

Second, we perhaps are a little bit—how should I put it—unhappy about the fact that despite the billion dollars which is being spent in Canada annually under the Department of Defence Production and I suppose the Department of National Defence very little of this money actually is being channelled into the easterly province to which I am referring. I wonder whether the Minister of Defence Production or the Minister of National Defence would ract to the reasonable suggestion that a national defence training base be established in the province of Newfoundland in view of the recent activities by Russia—and in view of the fact that it would stimulate the economy of that area.

The Department of Defence Production has been stepping up activities one way or another in the area of Gander, Newfoundland. I know there have been some discussions concerning the provision of housing in that area involving about 100 units. Could the minister enlighten me on the degree to which that program has been adopted by the government and the extent to which we will have these housing units which are badly needed? I think the people of the town of Gander would be very happy to have some clarification concerning this matter.

Mr. Jamieson: I congratulate the hon. member for his ingenuity in getting in a representation in respect of a defence base. Under the circumstances it is a good effort. As a Newfoundlander, apart from my ministerial functions, this has my full support. This is under review in respect of the whole defence program.

With regard to the housing project the information I have is that a number of alternative plans are being examined and a number of submissions have been made. I would hope that in a comparatively short time a decision will be made concerning which of the proposals made by a number of firms will be accepted.

Mr. McGrath: Mr. Chairman, I have a supplementary question on the subject of Crown Assets Disposal Corporation. Could the minister tell the house how much was realized from the sale of the centennial caravan, if in fact the centennial caravan has been disposed of? While he is answering that question could he tell the house how much the caravan cost the government of Canada and how much was realized from its sale? What I have in mind—and the minister is quite familiar with this—is the interest that was expressed in the centennial caravan by the government of Newfoundland. The premier of Newfoundland or someone in the government made a statement to the effect that the government of Newfoundland expected to get the centennial caravan for a nominal sum after centennial year. We hear reports now that the caravan is to be disposed of through Crown Assets Disposal Corporation. I am wondering whether in fact it has been disposed of and how much was realized in the sale. I should also like to know why the caravan was not turned over to the government of Newfoundland.

Mr. Jamieson: Mr. Chairman, I cannot be specific in my answers to all these questions without consulting with the officials of Crown Assets Disposal Corporation. My information, to the best of my knowledge, is that the fisheries college in Newfoundland has expressed an interest in obtaining, I believe, three of these caravans. Initially they were interested in one and subsequently they were interested in two others. As far as I am aware the arrangements have been completed. I do not have in my head the detailed information concerning how much was paid or the basis of the sale, but I shall be pleased to obtain the information for my hon. friend and see

that it is provided to him at the first opportunity.

Mr. MacEwan: Mr. Chairman, earlier in the debate I quoted some figures concerning employment in the Canadian shipbuilding industry. At that time I believe I stated that the figure fell from 17,000 to 9,000. I believe the minister is aware of the publication from which I took this information. It is a chart of the Canadian shipbuilding and ship repair association. The figure of 17,000 was in the year 1952. This has not been the average figure for years. I know that the figure for 1961 was 10,000. In the last two years it was 12,893, nearly 13,000. As of July of this year it was 9,603. Furthermore, I have figures from the association which show that as of August this year the average employment in Canadian shipyards was 8,995. So there would appear to be quite a decline. I just wanted to straighten out the figures for the record.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Chairman, I should like to ask the minister a supplementary question concerning the sale of the centennial caravans through the Crown Assets Disposal Corporation. Is the previous practice of putting materials up for tender still in effect?

Mr. Jamieson: Yes, Mr. Chairman. This is one of the matters which I suggested I would investigate further in order to determine whether or not we could improve this method. There is no deviation from the tender process. As the hon. member knows, certain agencies, first of all the federal government, the provincial governments and the municipalities, have priority. This system is in effect, but there may be room for improvement and we are examining it. It may be that the bulk system is the best way to do it or it might be that there could be some improvement whereby smaller firms, if not individuals, might have access to some of these materiels. But the basic program and policy are as the hon. member stated.

Mr. McCleave: Mr. Chairman, my purpose is not to follow the minister in his quest for the *New Liskeard*, but I should like to wish him well in his negotiations to sell the *New Liskeard* to Mrs. Onassis when it has served its purpose in the naval environment of the Canadian armed forces. As members perhaps know, Mr. Onassis bought a Canadian warship previously and transformed it into a yacht. If the minister is successful in selling the *New Liskeard* to the former Jackie Kennedy, Mr. Onassis would simply have to paint out the name on his yacht and they could be marked "his" and "hers" in order to differentiate.

There would seem to be a fair maritime flavour about the debate. Like my colleagues I wish to join in wishing the minister well. I do not think too many people realize this, but I believe it should be on record that he was the one candidate for his party in that province who put himself forward to a nominating convention. He was also the one candidate who escaped the avalanche of common sense which otherwise swept over Newfoundland. So I suggest we have here a figure to be reckoned with. Probably the most powerful Newfoundland Liberal is the one who now sits in this chamber. I do not know whether he has pretensions about going back home but in any event we wish him well.

My purpose in rising is to support the request of my colleague the hon. member for Dartmouth-Halifax East with regard to the Fairey Aviation Company and also to utter a bit of a caveat to the minister with regard to his plowshare philosophy. Generally speaking I think this is a fine philosophy, but it has its hazards and pitfalls. After all, defence spending is one of the weapons available to our society as it exists now for spreading out economic benefits to the less developed parts of Canada. I believe it is a useful weapon in the war on regional disparity.

The idea behind our thinking in respect of the Fairey Aviation Company is that we might be able to provide the greater Halifax-Dartmouth area with technicians and people of other skills. Besides being of help to an area where there is regional disparity this would be a useful equalizer so that everything does not wind up in the Montreal-Ottawa-Toronto golden triangle. Therefore, as the minister adopts his plowshare philosophy I hope he will hold something in reserve until new and different programs or approaches appear as alternatives to the decentralized spending of the defence dollar. I hope he will not advance his theory too far but if he can bring it into being, more power to him.

• (5:50 p.m.)

Mr. Nystrom: Mr. Chairman, I should like to ask the minister one or two questions. To what countries does Canada sell war materials?

Mr. Jamieson: I will have to take notice of that question in view of its importance rather

than dash off an answer at this time. I will be glad to provide an answer as soon as I can.

Mr. Nystrom: Would the minister indicate what type of war materials Canada is selling to the United States?

Mr. Jamieson: Once again, I would have to give a very general type of answer. By and large my recollection is that it is aircraft and that kind of thing from the aircraft industry. In fairness to the hon. member it would be better if I obtained a list for him. I will be glad to do that to the extent it is possible.

[*Translation*]

Mr. Dumont: Mr. Chairman, am I allowed to make a simple comment? I do not object either to ships being sold to Mr. Onassis, but I would prefer it if they were sold at cost price plus 10 per cent profit for Canada.

My question deals with the repair work on the *New Liskeard*. Reference has been made to the ghost shop in Lauzon and the minister replied that it had been decided not to repair her, because she had been replaced.

Was the decision to repair the *New Liskeard* taken before June 25?

[*English*]

Mr. Jamieson: No, Mr. Speaker, I think there were three different decisions as I mentioned earlier. The first was to renovate the vessel to the minimum extent possible. This was subsequently decided against on the ground that the cost would be too great. There was then a need for the continuation of this vessel in service for a minimum period, so minimal improvements were necessary. Subsequent to that it was discovered that *The Quest* would be ready in time and therefore the whole renovation program was withdrawn or cancelled.

[*Translation*]

Mr. Dumont: Mr. Chairman, could the minister tell us on what date the final decision to postpone the repairs was taken?

[*English*]

Mr. Jamieson: I do not recall the exact date but it seems to me it was some time within the last month or six weeks. I believe it was some time in September, as I recall it.

Mr. Coates: Mr. Chairman, I am sure the minister would like to get his estimates through but I want to refer to a subsequent item. If there are no other hon. members who wish to discuss the first item we could let it pass. My question has reference to the printing bureau.

Mr. Jamieson: I am at the disposal of the committee.

Mr. Broadbent: Mr. Chairman, I should like to ask whether the minister will produce a table showing the increase in the sales of weapons by Canada to foreign countries between 1965 and 1968, with an indication as to what particular countries we sold more of this type of supply.

Mr. Jamieson: This is related to the question asked earlier and I indicated I will do my very best to get the maximum amount of information possible.

Mr. Nystrom: When can we expect answers to these question? Can we expect them right after the supper hour?

Mr. Jamieson: I would expect that it will require a good deal of research. The hon. member asked about all countries. I do not know how far back he wishes me to go. If the hon. member wishes something fairly current I believe I can provide that information after the dinner break. Perhaps I can at least make a partial answer to the question within the context of the current situation.

Mr. Bell: Mr. Chairman, the minister will probably have his officials in front of him on the floor tonight. In the event perhaps we could ask our detailed questions then.

Mr. Jamieson: That is correct, but the question asked by the hon. member seeks information which I would think no one would have in his head. I think it will require some research and it may take a little time to get an answer.

Mr. McGrath: Mr. Chairman, I should like to join with other hon. members in congratulating the minister on the very knowledgeable and usual eloquent way in which he has presented his estimates to the committee. I should like to ask him to bear one thing in mind, although I am not sure it is relevant to the subject.

The minister is aware of the difficulties that have been encountered at the C.N.R. drydock in St. John's in trying to get work. There have been a number of lay-offs which have now become almost of an annual nature. Perhaps steps can be taken to anticipate these lay-offs. The minister might use his considerable influence in the government to divert Canadian naval vessels or any other type of

vessel to that drydock in St. John's for refitting.

Mr. Jamieson: I will do my best, Mr. Chairman. I am sure the hon. member will run into enormous pressure from his own colleagues, the hon. members for Dartmouth-Halifax East, Halifax and so on.

Mr. Bell: How about the *New Liskeard?*

Mr. Jamieson: I have some information for my hon. friend about the situation in respect of the St. John's drydock. I will be glad to provide it for him at any time.

Item agreed to.

[The following items were agreed to:]

Administration—

5. Administration and (a) the care, maintenance and custody of standby defence plants, buildings, machine tools and production tooling; (b) grants to municipalities in lieu of taxes on Crown-owned defence plants operated by private contractors; and (c) the repair of office equipment for all Government Departments, $24,359,490.

10. Payments, subject to the approval of the Treasury Board, for capital assistance for the construction, acquisition, extension or improvement of capital equipment or works by private contractors engaged in defence contracts, by Crown plants operated under lease or other management arrangement or by Crown companies under the direction of the Minister of Defence Production, $200,000.

Services—

15. Administration, including the administration of the Superannuation and Retirement Acts and recoverable expenditures on behalf of the Canada Pension Plan and the National Harbours Board, $34,375,900.

Public Printing and Stationery—

20. Administration, Publishing, Selling and Distribution of Official Documents and Publications to departments and the public, and the purchase for sale of such other publications and related material as the Treasury Board may approve, $4,252,200.

B—Canadian Arsenals Limited—

30. Administration and Operation, $1.

35. Construction, Improvements and Equipment, $340,200.

Mr. Bell: Mr. Chairman, it is six o'clock. We have had a good day and we are right on top of things. Perhaps we should catch our breath over the supper hour.

The Deputy Chairman: This completes the study of the estimates of the department of supply and services except for item 40 which was referred to the standing committee on finance, trade and economic affairs on September 16, 1968.

[Mr. McGrath.]

Resolutions adopted in committee of supply this day reported and concurred in.

[*Translation*]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Béchard): It is my duty, pursuant to provisional order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: the hon. member for Vancouver Kingsway (Mrs. Grace MacInnis)—Consumer affairs—Edmonton—the weight of fudgeicles; the hon. member for Broadview (Mr. Gilbert)—Airports—Toronto—Expansion of facilities being contested; the hon. member for Winnipeg North Centre (Mr. Knowles)—Federal government medical plan in 1972.

[*English*]

It being six o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions.

• (6:00 p.m.)

HISTORIC SITES AND MONUMENTS BOARD

SUGGESTED TRANSFER OF AUTHORITY TO SECRETARY OF STATE—EXPANSION OF RESPONSIBILITY

On the order:

Private members notices of motions—Mr. Roberts—That, in the opinion of this House, the government should consider the advisability of transferring the authority over the Historic Sites and Monuments Board to the Secretary of State and of expanding the responsibility of this board from concern for buildings and monuments of unique historical interest to general assistance in the preservation of towns, villages and landmarks of artistic, cultural or historical interest.

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the hon. member for York-Simcoe (Mr. Roberts) deposited this notice of motion. He has been away on government business and is supposed to return shortly. Would the house agree to standing this motion in order that it may keep its place on the order paper? I am informed the hon. member will be ready to proceed at the next opportunity.

The Acting Speaker (Mr. Béchard): Is there unanimous consent?

Some hon. Members: Agreed.

WATER RESOURCES

CHIGNECTO COMPLEX—SUGGESTED CONSTRUCTION OF DAMS AND CANAL

Mr. Robert C. Coates (Cumberland-Colchester North) moved:

That, in the opinion of this House, the government should give immediate consideration to the construction of the Chignecto complex, with the construction of dams on the Minas Basin, Cumberland Basin and Shepody Bay and the construction of the Chignecto Canal.

He said: Mr. Speaker, it is often said that it never rains but it pours, and certainly this would apply today so far as this subject is concerned. I never miss an opportunity to place before members of this house the problems which we face in the Atlantic provinces and some of the ways in which I feel we might be able to find solutions to them.

It is my belief that in this session we have often spent a great deal of time talking about things over which we have little or no control, such as the civil war in Nigeria, and all too little time facing up to the problems over which we do have control if we would only do something about them. I witnessed with a great deal of interest the federal-provincial conference held in February in which the present Prime Minister (Mr. Trudeau) took such an active part. I listened to his comments about regional economic dispartity in Canada. I heard him repeat them when he sought the leadership of his party last April. I listened once again to discussion of the problems created by regional economic disparity during the election campaign. Yet I come to this house and I am still waiting for the government and the ministers responsible to take some obvious action which will help to eliminate these problems which everyone seems to recognize but which unfortunately no one in the present government appears really to be determined to do anything about.

One of the things that shocked me as a member from the Atlantic provinces was the fact that the Prime Minister would not give special priority to the establishment of a special department about which he talked so much. I am sure that the people of the Atlantic region are becoming more and more disillusioned as each day passes with no indication from the government that it is ready to move forward in the fashion which we had anticipated from the statements of the Prime Minister.

The motion before us, if adopted, would eliminate many of the arguments which I anticipate will be put forward when the final studies are completed on the engineering feasibility of the construction of dams to harness the tides to produce power in the bay of Fundy. I do not think there is any doubt that the project in question must be feasible for it is obvious that in France they have harnessed the tides and as a result they are now the beneficiaries of the power which is available from this source.

I have learned from the Halifax *Chronicle-Herald* of Saturday, October 26, that the Severn river tidal power plant project in Great Britain is being seriously considered, for they too realize the value of harnessing the tides to obtain power.

For a long period of time I pressed the former Liberal administration to try to get them to initiate studies, but it was only after a great deal of procrastination on their part that a body was finally established in co-operation with the governments of the provinces of Nova Scotia and New Brunswick. I understand that the project for the construction of the dams is going forward as fast as possible, but what concerns me is that as soon as the study is completed we will begin hearing arguments about the economic feasibility of the project and about whether or not money of the government of Canada should be invested in a project in the Atlantic provinces. This concerns me because we are the afterthought area of Canada. After everything is done that is required in the other six provinces of Canada the crumbs are brushed off the table for the four Atlantic provinces and we are told: this is good enough for you fellows down there.

This has been the philosophy for 100 years, and in this regard the present government does not appear to be different from the last government. When they were talking about cutting down expenditures, one of the first big cuts of which we became aware was the New Brunswick-Prince Edward Island causeway. In other words, when projects are put on the cutting table they look at the Atlantic provinces first to see what they can take away from them because there are fewer of them and therefore they need not worry about the mess, especially these days when most of the members from that area belong to another political party. This is the sad fact.

As a matter of fact, the premier of Prince Edward Island came here with his 15 cabinet ministers to make representations to the Prime Minister, and it is my understanding that the Prime Minister had only six minutes available in which to hear the premier on this very

important transportation link in our area. But this is not something new; it is the old philosophy which has been in existence ever since confederation. It is the kind of philosophy that will do damage to the possibilities we have available in the Atlantic provinces with the harnessing of the Fundy tides.

• (6:10 p.m.)

With these Fundy tides there is another logical project that should follow and that is the Chignecto canal. At the time the St. Lawrence seaway was being built for central Canada we told the people of Canada that we should have the natural extension of the St. Lawrence seaway, the Chignecto canal. The St. Lawrence seaway was built but we are still waiting for the Chignecto canal. Last session I wanted to ascertain just what the people of Canada were asked to invest in the St. Lawrence seaway. Since we are part of Canada, some of our tax dollars went to provide this more efficient method for shipping into central Canada. The figure with which I was provided indicated that the people of Canada expended a total of $541,940,000, or 80 per cent of the total cost. The United States invested $131,054,000. The total cost of the project was $672,994,000. The important factor is not that we spent that kind of money to build the St. Lawrence seaway but that prior to its construction we were told of the great benefits that were going to accrue to Canada, that it would be a paying proposition and there would be no difficulty in getting a return of the invetment that we made as taxpayers of this nation.

In the same question I asked how the principal was being retired. I was told that payments have been made only to the extent of a portion of the interest accrued and therefore there were arrears. In other words, not only is the principal not being retired on the St. Lawrence seaway debt but we are not even getting enough from the tolls to pay the interest. We were led to believe that there was no doubt this would be a paying proposition and that the people of Canda had no need to fear about their tax dollars because they would be returned. I have no argument about the building of the St. Lawrence seaway. I think it was a valuable thing for this nation to have this modern form of transportation available. What I say is, should not we in the Atlantic provinces have a right to expect similar treatment of the kind of projects we have available?

[Mr. Coates.]

Certainly the New Brunswick-Prince Edward Island causeway is one of those projects we should expect to be constructed because it will be of benefit to the people of Canada. For one thing, the completion of this project would eliminate the huge deficits the taxpayers of this nation are required to meet each year to provide transportation facilities for the people in this area.

One of the really serious things this government should consider when it is talking about regional disparity, when it is talking about equality of opportunity, when it is talking about the just society, is that we in the Atlantic provinces should be provided with the same opportunities as everyone else. One of the suggestions that concerns me most in the submission made by Premier G. I. Smith of Nova Scotia to the federal-provincial conference in February is the suggestion that while we move ahead we move backwards at the same time. These are the figures that are so frightening from the Atlantic provinces' point of view. Mr. Smith is talking about regional economic disparity and he says:

> The chief available statistical measure that shows the economic disparity between Nova Scotia and the rest of the nation is per capita personal income. To illustrate the seriousness of this gap we wish to draw the conference's attention to the following examples: In 1961 Nova Scotia's per capita income was $1,097 or 76.5 per cent of the Canadian average. In 1966 per capita income had risen in Nova Scotia to $1,583, 74.2 per cent of the Canadian average.

The important figure is not the amount of money but the percentage. The percentage of the Canadian average was 76.5 per cent in 1961 and 74.2 per cent in 1966. In other words, in those five years we fell farther behind while having more money in our pockets. We fell farther behind by 2.3 per cent. If this trends continues, God knows what is going to happen to the area. There is no hope for the Atlantic provinces of Canada unless we have from the federal government the kind of policies that will eliminate regional economic disparity. Up to the moment there has been little indication from the government that it is taking the problem as seriously as one would have expected from the statements made by the Prime Minister during the period of time he was running for office. What we have to do now is get on with the job, get these projects under way.

While the Minister of Manpower and Immigration (Mr. MacEachen) can tell us the amount of money being spent for training and retraining the people in that part of Canada, there is not much value in the training from

an area point of view if as soon as the people become trained they go to other parts of Canada for employment. We are not interested in becoming the training ground for workers for the remainder of this nation. But that, Mr. Speaker, is the sad situation today. There just is no choice for our workers. We have to have projects that will go along with the training. Then we will be happy; then we will know we can live wherever we wish to live and have equality of opportunity. This is what this government has not produced and I hope that in the days ahead there will be more indication of action, more indication that it is endeavouring to do something about some of the things over which we have control and less talk about what is going to be available in the just society 15 years hence. We are interested in what the government is going to do today, not what it is going to produce for us 15 years from now. We are waiting for this government to move.

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): The hon. member who put this motion on the order paper, Mr. Speaker, has used it as a narrow base from which to deal in a broad fashion with the subject of regional development. I think this is a proper matter for us to talk about in this chamber this evening. I am not suggesting it was not in order to do so; I think it was quite in order that he should broaden his remarks as he did. I am very pleased that he did so because it gives me, and I hope my colleagues on this side of the house, the opportunity to deal for a few minutes with some of the projects and plans of the government in the field of regional development.

• (6:20 p.m.)

Before I do this, Mr. Speaker, let me comment for a moment or two about the launching pad for our debate this evening, if I may call it such, the motion that is specifically before Your Honour for debate. The hon. member who put the motion on the order paper seems to suggest that this house should ask the government to proceed with a project without really taking the opportunity to assess the feasibility and financial consequences thereof.

I do not think my hon. friend would want the government of Canada or indeed, as he properly pointed out, the governments of Nova Scotia and New Brunswick, all three of whom are engaged in a study that is being carried out by the tidal powers programming board, to embark upon such a project now. As the house knows, this board is investigating the physical and economic potential of the development of electric power from the tides of the bay of Fundy and the transmission of this power to markets in Canada and the United States.

This is an investigation that is, as I say, being carried on by all three governments and will provide a realistic assessment of the feasibility of tidal power development in the Atlantic region and its potential effect on other aspects of area development, including among other things the Chignecto canal. Therefore, Mr. Speaker, putting the matter on that rather narrow base, I think we should reasonably and realistically wait until this investigation has been concluded and we have the board's report.

I say this, Mr. Speaker, because all hon. members will agree that we cannot do everything we want to do as quickly as we would like. By "we", I mean those of us at the federal and provincial levels who are concerned with regional disparity. Therefore some priorities have to be established, and it is important that the governments concerned wait for the board's report. In the meantime, and indeed after the report has been received and assessed, we should try to establish priorities so that the not inexhaustible amount of money involved can best be spent in correcting regional disparities particularly in the Atlantic provinces.

I think my hon. friend has probably read the remarks made by the Minister of Forestry and Rural Development (Mr. Marchand) in Halifax a week ago tomorrow night when he spoke to the Atlantic Provinces Economic Council. I think it would be timely for us to talk of regional development at this time because we can do so in the context of the minister's remarks about the sort of broad area of operation that he foresees for his department.

With respect, Mr. Speaker, I think my hon. friend was being a little unduly critical in suggesting that nothing was being done by the department in this regard. I should like to take a minute or two to refer to some of the things the minister said in Halifax last week, and also to mention that although the legislation has not been presented to the house yet—again, it is a question of priorities; we have been dealing with other very important legislation—the minister did say the other day that it would be presented as quickly as

possible, or at least pretty soon. It is, as I say, a question of priorities.

In the meantime, Mr. Speaker, the department is not at a standstill. Under the other legislative authority that we have, the Government Organization Act, the minister and his officials have been putting together this new department, and since the Prime Minister (Mr. Trudeau) expressed his intention of setting up this new department a good deal has been done.

I mentioned, Mr. Speaker, the question of priorities in determining the projects about which we should be thinking for the Atlantic provinces, as well as the necessity for waiting for the report of the board. May I refer for a few moments to the minister's speech which he delivered at Halifax. In dealing with the question of priorities in regional development he had this to say:

> That realization has brought us to phase three in the history of regional development, represented at the federal level by the decision to set up a new department with comprehensive responsibility for planning and co-ordinating action for regional development.
>
> That involves much more than the federation of existing programs, in order to eliminate duplication and improve government efficiency. I don't undervalue that. But there is much more to our objectives.
>
> The new department is being created essentially because regional development is a matter of top priority for the federal government.
>
> "If the under-development of the Atlantic provinces is not corrected—not by charitty or subsidies but by helping them become areas of economic growth—then the unity of the country is almost as surely destroyed as it would be by the French-English confrontation."

The minister then went on to say:

> Those are the words of the Prime Minister, and there are many more to the same effect.

That indicates, Mr. Speaker, the importance of priorities and indeed the importance placed by the Prime Minister on the work of this department.

In dealing with the task before the department, in his speech to APEC in Halifax last week the minister had this to say:

> We have to see that the forces of economic demand operate more consistently across the country. Or, to put it in another way, our job is to see that economic growth is dispersed widely enough across the country to provide equal access to opportunities of productive employment for Canadians everywhere.
>
> That is what I mean by a regional development policy. I mean that the federal government is prepared to take special action where it is needed to bring opportunities up to standard. Broad national policies for employment are not enough. And it is not sufficient just to add to them a variety of area plans and agencies. There has to be a comprehensive structuring of government action to regional needs.

[Mr. Honey.]

I was with the minister on his visit to the Atlantic provinces last week, Mr. Speaker, and I should like to put this proposition to the hon. member who sponsored this motion. I suggest there would not be anything like majority agreement in the Atlantic provinces with some of the suggestions he made in his remarks a few minutes ago. I had the opportunity of talking to the people there and I do not think that they would agree with his appellation of them as "have-not" provinces. All of us who are responsible for trying to even out opportunities and incentives in this country are doing the best we can. We may not all be perfect, of course, and other governments prior to this government have tried to do their best. Nevertheless there is always room for criticism. The general impression that I gathered from spending two days in the Atlantic provinces of New Brunswick and Nova Scotia—and I believe the minister to whom I am responsible shares this view—is that the provincial governments and the federal government are working well together.

• (6:30 p.m.)

There was, indeed, a great concentration of effort to assist the Atlantic provinces, and perhaps I might be permitted to indicate some of the things this government and its immediate predecessor have done in that direction. I do not want to be overly critical of my hon. friend who sponsored the motion, but his remarks leave the implication that little has been done.

Mr. MacInnis (Cape Breton-East Richmond): Would the hon. member permit a question?

Mr. Honey: I want to put certain information on the record and then, if there is time, I shall gladly answer my hon. friend's questions. Let me deal first with the Atlantic Development Board and some of the expenditures it has made in the Atlantic provinces.

Mr. Speaker: Order, please. I am in a difficult position, not having heard the presentation of the hon. member for Cumberland-Colchester North (Mr. Coates). I therefore cannot determine whether the remarks of the parliamentary secretary are about to fall within the confines of the resolution now before the house. On the other hand, if there is no objection, perhaps the parliamentary secretary might be allowed to continue.

Mr. Coates: Mr. Speaker, since my remarks were pretty far ranging I think it only fair to allow the hon. member wide latitude in his remarks.

Mr. Honey: I thank my hon. friend who sponsored the motion. I think it is fair to have a wide ranging debate. I was referring to approved expenditures of the Atlantic Development Board as of September 30, 1968. Those expenditures can be summarized as follows: Newfoundland, $41,879,008; Nova Scotia, $40,392,260; New Brunswick, $37,818,470 and Prince Edward Island $7,022,000.

In addition there are projects of a regional nature which cover more than one province, and here I refer to pollution abatement equipment and that sort of thing. The total amount committed for those projects is $2,025,000.

In addition, the trunk highway programs have total approvals in the second agreement for the four provinces of $30 million; in the third agreement the approvals for the four provinces are $25 million. In addition, special assistance to Bell Island stands at $1,750,000. That is the approved amount, since I am only referring to approved amounts. In the case of Bell Island $357,331 has been spent so far. Then, of course, the expenditures with respect to the operating expenses of Dosco are $2 million.

These figures are with regard to the Atlantic Development Board, and in the few minutes that remain to me I should like to refer to the cumulative expenditures in the four Atlantic provinces with regard to various other regional programs undertaken between April 1, 1965 and March 31, 1968. I will give the totals, Mr. Speaker, and I ask leave of the house to have this table appended to *Hansard* since this will save much time. The table was prepared by officials in the Department of Forestry and Rural Development. Under the Maritime Marshland Rehabilitation Act total expenditures for the four provinces stand at $2,852,473. Under the ARDA program the expenditures total $7,971,345. Under the FRED program in New Brunswick only the figure is $4,284,207, and under the area development agency programs the total is $5,357,543. Grand totals are shown in the table. I ask leave of the house to have it appended to my remarks in *Hansard*.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

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

CUMULATIVE EXPENDITURES FOR PROJECTS

Period: April 1, 1965 to March 31, 1968

Province	Rural Development Programs				Area Development Agency Programs	Grand Total
	M.M.R.A.	A.R.D.A.	F.R.E.D.	Total		
	$	$	$	$	$	$
Newfoundland	—	1,133,814	—	1,133,814	114,587	1,248,401
Prince Edward Island	336	1,208,057	—	1,208,393	196,532	1,404,925
Nova Scotia	1,385,798	3,359,920	—	4,745,718	1,827,993	6,573,711
New Brunswick	1,466,339	2,269,554	4,284,207	8,020,100	3,218,431	11,238,531
Total	2,852,473	7,971,345	4,284,207	15,108,025	5,357,543	20,465,568

I think that is all I can usefully say. Again I thank my hon. friend who sponsored this matter for the opportunity afforded to have a wide ranging debate. If we are to achieve our great potential in this country we must, in the Atlantic provinces and in the rest of Canada, put our shoulder to the wheel and make these programs work in co-operation with provincial governments.

Mr. Speaker: I think the hon. member for Cape Breton-East Richmond has a question to ask.

Mr. MacInnis (Cape Breton-East Richmond): My question has little relevance now, Mr. Speaker. I was hoping the parliamentary secretary would compare developments in tidal power and the St. Lawrence seaway project. Programs are only good, bad or in-

different when compared with other programs, and I think it unfair of the hon. member to tell us only what the government has done without also telling us about some other matters.

Mr. Speaker: Order, please. I thought the hon. member was to ask a question.

Mr. MacInnis (Cape Breton-East Richmond): My question is of little value now, Mr. Speaker. I think, for a just comparison to be made, the parliamentary secretary ought to tell us not only of amounts expended on programs in the Atlantic provinces but of amounts expended on like programs in the rest of Canada. Does he not know that the Sydney operation has been kept going only because of the efforts of the provincial government? The refusal of the federal government to act in that area is well known.

Mr. Honey: I do not want to take much time to answer that question. I understood that the sponsor of the motion referred to the St. Lawrence seaway project in passing. I did not think from his remarks that he was critical of that program. Perhaps we ought to return to the substance of the debate.

Mr. MacInnis (Cape Breton-East Richmond): Does the parliamentary secretary know why the St. Lawrence seaway was developed?

Mr. Thomas M. Bell (Saint John-Lancaster): As a seconder of the motion I wish to indicate my support for it. The hon. member for Cumberland-Colchester North deserves credit for bringing forward this question again. He has been persistent and consistent over the years, both when he was in the government party and out of it. He has supported the subject matter of this motion and has put his thoughts on the record in a clearcut way.

I was pleased to hear that the parliamentary secretary attended with the minister the recent meeting of APEX in Halifax, but I am sorry he did not display more enthusiasm. He seems to reflect an attitude that has been prevalent for the short time this government has been in power, that of stalling on reports, looking into this and that, and trying to break promises. We would have been more pleased had the parliamentary secretary returned from his trip to the maritimes and said in this house: I am sorry about conditions in the maritimes; I am sympathetic; I will do all I can; I do not know the details, perhaps, but I am in favour of doing something to bring the just society to the maritimes. Instead, he tells us that the government needs to wait for another report. He says: We must look into this; we have to know where we are going. It is the same story; it goes on and on.

• (6:40 p.m.)

I want to say there have been many reports on this Chignecto project and every one of them to my knowledge has been favourable. As a matter of fact, in 1891 there was a full communications system built up over this canal; the remains of the old Chignecto railway are still there today. We realize that it takes a long time for projects to sink in. Even the Prince Edward Island causeway idea took a long time before the government accepted it, and started to work on it. Now that the causeway is almost completed we think hon. gentlemen opposite should turn their minds to another project.

I know there are many other hon. members who wish to speak; this is one of the most enthusiastic private members hours I have seen for a long while. I hope that members other than maritimers will support this motion. In conclusion, I voice once again my support for the canal project, and the power project which in itself is bigger then even the Churchill falls scheme. With nine million horsepower at three mills it is better than Churchill falls. I hope the government will stand up for its principles, abide by its election promises and get right on with this tomorrow. Let us not find these pre-election promises turning into post-election corpses.

[*Translation*]

Mr. Herb Breau (Gloucester): Mr. Speaker, I am pleased to speak to the motion of the hon. member for Cumberland-Colchester North (Mr. Coates), first of all, because it deals with a project now under study for the Atlantic region and, secondly, because area development interests me very much.

[*English*]

I should like to congratulate one hon. member of this house—he is sitting in the chamber now—who was instrumental in getting this study going when he was premier of the province of New Brunswick. I refer to the hon. member for Carleton-Charlotte (Mr. Flemming). Back in 1966 a board, known as The Atlantic Power Tidal Program Board was set up to study the feasibility of using the tidal power of the Chignecto complex. I do not think it would be wise for the federal government to accept the motion before us until the

report of this board is received. We must remember that the board includes representatives not only from the federal government, in particular the Department of Energy, Mines and Resources, but of the governments of Nova Scotia and New Brunswick. I do not take this attitude because of any failure to support the project: I think it is a viable one, and I support it entirely. But the government has to plan its affairs; there must be some timing in this program, and I cannot agree with the hon. member from Saint John-Lancaster (Mr. Bell) that the federal government should, starting tomorrow, spend large sums of money in the absence of further study.

I agree entirely that any further expenditure of money in the Atlantic provinces must be well thought out. There have been programs in the past, not without value, which did not really keep pace with changing conditions. Some of the programs were good at the time, but experience of industrial changes and new developments proved that they needed to be changed. I was happy to read a speech the Minister of Forestry and Rural Development (Mr. Marchand) made in Halifax last week, in the course of which he said his department would be concerned mainly with planification, and that they were thinking in terms of 15 years. I believe this is a serious approach. Quick efforts to find speedy solutions to a big problem are not the answer. The government must study and co-ordinate programs to be brought into being in the years ahead. If the same is done by governments which follow it, we from the Atlantic provinces can hope that some day we shall enter the mainstream of Canadian economic life.

I do not agree with some members that as soon as a need is seen we should try to kill it with $50 million or $100 million. After all, this money comes from the pockets of Canadian taxpayers, and anything done in the Atlantic provinces should be done for the good of Canada as a whole. In my view there is a need for Canada to develop the Atlantic provinces. I support what the parliamentary secretary had to say about any further programs being the result of serious studies and good planning. This is what is needed. However, I should like to go on record as supporting the motion of the hon. member for Cumberland-Colchester North, because the project referred to is a good one. It is important that the Atlantic provinces should use their resources to sell services or tidal power to the rest of this country and to the United States. However I do not think it would be proper for the government to accept the motion at this time.

Mr. J. M. Forrestall (Dartmouth-Halifax East): I want to stick my neck out a bit this evening, as the former senior member for Halifax said on one occasion. Coming from Halifax it is perhaps unseemly for me to support a project which in its execution and development might have a detrimental effect on Halifax. But this opinion was expressed in the late 1800s; I do not think it has much validity in 1968.

In any event, we are not talking this evening about unimaginative projects which require continuing study forever and a day. This is a concept which has been examined by study groups since before the turn of the century. Its engineering aspects are well known to everybody likely to be interested. The possibilities of the development of tidal power are also well known. As my hon. friend who moved this motion told us, tidal power is now being generated in Europe, for example in France, and in England on the Severn river. Tests on a limited scale have been carried out in the lower areas of the Annapolis river and at the head of the Annapolis basin. From an engineering point of view we know that this is feasible. From the studies done by the tidal power study authority we know there will be no detrimental effect caused to the phenomena of the tremendous tides in the Minas basin by the establishment of baffles, because in effect this is what the dams would be. We know that these things are possible.

• (6:50 p.m.)

We want to see the government move ahead effectively. That is what my motion, No. 28 on the order paper, seeks. We want to see some action. The only thing that stands in the way is finding the appropriate time to move into the money market. We all know that. To play games with the matter for four or five years more is absolute nonsense.

The development of the tidal power would be the type of project that would stem the outflow of 20,000 people a year from our area. At this date its magnitude in terms of the economy of our area is beyond comprehension. Those who have taken a cursory glance at the potential of the project, or at the studies that have been done, will understand me when I say that the potential energy to be derived from this project would be greater than of any other hydro project in the world.

It would mean much to us in terms of a simple servicing industry. It would call for plants that would do nothing but build giant turbines, because turbines would quickly wear out in this type of project and would need to be replaced. The energy developed would enable us to attract some of the reduction industries to our deep, natural harbours. These would provide more employment and build up the marketing potential of the area. There would be a continuing demand for secondary industry.

The parliamentary secretary to the Minister of Forestry and Rural Development (Mr. Honey) has said that we cannot jump into these things, and that we must study them. Of course we must study them, but we have been studying them for 100 years. How much longer must we wait until we get some action? A Liberal government has been in control of our destiny for some 28 of the last 35 years. Maritimers are on the doorstep of one of the most critical periods in their history. Quite frankly, sometimes I think we would be a lot better off if we looked a little more to the south.

An hon. Member: Oh, oh.

Mr. Forrestall: You live somewhere else in Canada, where you enjoy some of the benefits of this country; but we don't get the same benefits. The answer given to the hon. member for Cumberland-Colchester North (Mr. Coates) was that we cannot go willy-nilly into these things. But nobody is suggesting that we should go into these things with our eyes closed. What we are urging is that the government do something about this matter now, not in 10 or 15 years time.

Hon. members may talk about the Atlantic Development Board's plan for attacking the over-all problems of regional disparity. Such a program was called for six years ago. Where is it? We are still waiting for it. I am not sure that it is not because it has not been produced. I am not at all sure that perhaps it has not been suppressed. A quick procedure that would realize the potential economic benefits of this scheme would portray the government in the light that many Canadians had hoped for, and which many of them still hope for; and I may say to hon. members on the other side that I number myself among those Canadians. But if members of the government continue to talk and do not do anything about it, nothing will be achieved.

[Mr. Forrestall.]

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, I would like to congratulate the hon. member for Cumberland-Colchester North (Mr. Coates) upon his initiative in once again bringing this matter before the house. He has spoken correctly of the disadvantages which the Atlantic area suffers within Canada. Net average income in the Atlantic area is normally two thirds to three quarters that of the rest of the country, and its rate of unemployment is quite often double that which exists elsewhere. In recent years there has been a net migration from the area of almost 20,000 people a year. Mr. Speaker, I speak as one of those migrants, and I accept the invitation of the hon. member for Saint John-Lancaster (Mr. Bell) to indicate the interest of another part of the country, a non-Atlantic region, in this subject.

The parliamentary secretary has outlined what the federal government has been doing in this area, and has spoken of the priorities which exist. I wish he had been in a position to speak also of the priority which the government would be prepared to give to the Northumberland causeway to Prince Edward Island.

Mr. Speaker: Order, please. I regret very much that I have to interrupt the hon. member, but the hour assigned for the consideration of private members business has now expired. It being seven o'clock I do now leave the chair.

At seven o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

SUPPLY

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

The Chairman: The house again in committee of supply on the revised estimates of the Department of Public Works for the fiscal year ending March 31, 1969. Vote No. 1 will be found at page 392 of the blue book. The details thereof will be found at page 394.

DEPARTMENT OF PUBLIC WORKS

1. General Administration, including grants as included in the estimates, $31,015,000.

Hon. Arthur Laing (Minister of Public Works): Mr. Chairman, this is the first occasion upon which I have had the responsibility of bringing before the house the estimates of the Department of Public Works. I

want to thank members in advance for the kind consideration I know they are going to give me. I say this in lively anticipation of further favours to come.

I think it would be well if I were to say a few words about the general reasoning behind the estimates of the Department of Public Works in this current year. It has been the desire of the government to cool somewhat the inflationary tendencies that we have found in the economy, and probably particularly in the construction industry. At the same time we are fully aware that we cannot cool inflationary tendencies to the point where unemployment is aggravated or to the point where we fail to supply the requirements either directly on our own initiative or on behalf of other departments. I do not think we have done that in the current year.

It would be false economy, for example, to suspend completely the construction of office accommodation. In the long run this could only add an additional burden on the taxpayers, because the ultimate result would be to force up rentals to an exorbitant level. The office accommodation problem is always with us. No matter what we do, its solution usually seems to be a good long jump ahead of us. Populations in the nation grow and governments grow. Buildings become obsolete in some instances, and new types of accommodation such as buildings with strengthened floors to support the weight of the paper needed to feed data processing systems are required. We find a new situation in respect of the employees of the government. At every level of government we find the situation where employees no longer want to work in gloomy or airless accommodation or in surroundings that were typical of office buildings a half century ago. There has been a very marked upgrading of accommodation in the Public Service of Canada.

There are several approaches to the accommodation problem, all of which are reflected in the current estimates. One is to bring existing accommodation up to modern standards by introducing air conditioning and up to date lighting and generally refurbishing the office workers' surroundings. The other three ways, in increasing order of costs, are to build our own office accommodation, as we are doing in respect of the general purpose office building now rising at Tunney's Pasture, to enter into build-lease arrangements with the construction industry or to rent existing accommodation.

It is hoped that substantial economies in crown construction will result from the adoption of modular co-ordination, which involves the use of standardized units in planning and standardized measurements in the production of building material. I should like to pay a tribute to the department, in that I think it has taken a very commendable leadership in the development of modular co-ordination in the last couple of years.

You will have observed from the estimates that the amount we are spending on harbour and river development has shown a decrease. Some very desirable projects have had to be postponed, but we have been able to retain other important works such as the St. Charles river control structure, Matane harbour, the development of Long Harbour, Newfoundland, and the New Westminster trifurcation project. No interruption has taken place in respect of those very important public works. In the case of the New Westminster trifurcation project, this project should be completed during the coming fiscal year and should result in significant long term savings in the form of reduced annual dredging costs.

The house is aware that a major harbour, capable of handling giant tankers, is being developed at Point Tupper, Nova Scotia. The work will be carried out by the Department of Public Works. This year the engineering plant is well under way in preparation for tender calls in the new year. This, in addition to the already mentioned Long Harbour project, is following a relatively new pattern in the assistance by the Department of Public Works of the development of major resources. These and certain other large harbour projects are subject to capital recapture from the main beneficiaries. This is a trend we have been following in recent years whereby a public works project gives advantage, or contributes in a major way, to the economy of the country. The government has, in other words, advanced for the companies involved the amount of capital required to build docks and wharves. As I have said, this capital requirement in the first instance is recoverable.

• (8:10 p.m.)

The fast developing program of mineral exploration in the north, particularly with reference to oil and gas, accents the role of the Mackenzie river as a main transportation route. The department's dredging fleet in the Mackenzie basin is being used to maximum advantage and such major obstacles to river

transportation as the Sans Sault rapids are being eliminated.

Along the northwest highway system, many of the bridges built around the end of the second world war are being replaced under a program costing about $2 million a year. I am speaking of the Alaska highway. In some cases these bridges have reached the end of their useful lives, and in others they were under designed to handle modern traffic. Additionally, a dust abatement assessment program is being carried out in the vicinity of towns through which the Alaska highway passes.

About the time I was appointed Minister of Public Works it was announced that the Canadian government exhibition commission would be transferred to this department. The transfer was completed in September and accounts for an increase of some $5 million in our estimates for the current year.

In line with the recommendations of the Glassco commission and following a survey of departmental functions and operations by a management consultant group, a new organizational structure was devised for the department. Since a year ago last April the department has been operating under a decentralized system, with much of the authority formerly concentrated in headquarters delegated to six regions and 18 districts across the country.

I want to pay a compliment to my predecessor in this post. I think this decentralization aspect and the presence of the government of Canada in these regions and the districts of Canada is a very forward movement. I should like to compliment my predecessor the present Solicitor General for taking this action. A great number of our clients and contractors in the country, and probably a considerable number of members of parliament, are still not aware that the authority granted to these various districts is almost equal to that which could be obtained from our headquarters in Ottawa.

It is my hope that members of parliament will use these district heads from now on in respect of the work going on in the various districts, because the authority granted to these district heads is almost equivalent to that which exists here in Ottawa.

The advantages of decentralization have already become obvious to the department. In placing more authority closer to where the action is taking place our reactions have become faster and there is an increased awareness of local needs. Our performance will continue to improve as the remaining problems in respect of the reorganization are solved.

What I have said gives the committee in the most general terms some of the objectives and problems of the department in the current year. I shall endeavour to see that hon. members are provided with complete and accurate answers to any questions which might arise from a study of the estimates now before the committee.

Mr. Comeau: Mr. Chairman, I am pleased to have the opportunity to comment on the estimates of the Department of Public Works now before us. I welcome the minister to this post and I hope that his department under his direction will be in a position to do more planning and exercise more foresight than has been the case in the past.

I have already suggested, in my maiden speech, that we should have long term planning. There appears to have been a lack of planning in this and other departments, and perhaps there is also a lack of co-operation. Let me give a good example of what I have in mind.

The National Arts Centre was first estimated to cost about $9 million. This cost was re-estimated at $18 million, but it will now reach something in the order of $46 million. Something must have gone wrong somewhere. I am not against an arts centre but I am against extravagance at a time when this sort of money could be put to much better and more practical uses. It could have been spent to improve the marine facilities for fishermen. I do not blame the minister in this regard, since he is new to this department, but I hope such things can be avoided in the future.

Let me give another example. According to reports I received today the town of Rock Island in Quebec is to have a new post office, despite the fact there have been many objections raised. It has been suggested that the present post office is perfectly adequate and that the reason for building is to provide cafeteria facilities for the four people employed by the post office. Apparently the government is desperate to build a post office at this location.

It has also been brought to my attention today that 26 post offices in Nova Scotia will be closed beginning Ocotober 21, 1968 and carrying on into 1969. Four of those post

offices are in my constituency, and I am wondering whether this is justified. I should like to suggest to the department that a new post office be constructed at Parkers Cove. Perhaps the money allotted for the construction of the project at Rock Island could be devoted to some other use.

There obviously is a lack of planning and I hope the new minister will correct this situation. Many large fishing boats have been constructed in the past few years, particularly following the introduction a few years ago of subsidies in respect of wooden ships. These ships have been constructed, but wharves have not been improved or constructed to cope with the increased number and size of the ships. Perhaps there has been a lack of co-operation between the two departments concerned.

In my part of the country we do not have one good deep water harbour. Many fishing boats have been constructed in this area, but why has no major improvement in wharf and dock facilities taken place? The government has paid subsidies on the construction of these boats, yet facilities capable of accommodating them have not been provided. There appears again to have been no planning in this regard.

It is not my suggestion to the minister, as I said in my maiden speech, that every little village should be provided with a new wharf or breakwater. I do suggest in respect of southwestern Nova Scotia that we should maintain and preserve present wharves and breakwaters, while at the same time developing deep water harbours perhaps every 50 miles.

• (8:20 p.m.)

For example, in Annapolis county in Nova Scotia there is a need for at least one deep water harbour. There has been some talk along these lines for many years, and fishermen in the Parkers Cove area have asked for one deep water harbour for many years. The policy seems to have been not to do anything to improve some of these facilities and finally to say that it costs too much to repair them. I think the fishermen would be content if we were to maintain and preserve the present structures that we have, and every so often make any necessary improvements. The same applies to the town of Annapolis which has a large export business of lumber, and pulpwood. The government told one area in my riding that they cannot have a wharf in every little village. I am referring mainly to wharves simply because about 95 per cent of my constituents depend on fisheries. The government told these people that they should try to get together to plan their action, and that when they do so the government will be prepared to go ahead with it.

This has happened in one instance in the Cape Sable Island area. The people got together and decided it was necessary to go ahead with the construction of a wharf at West Head, but the position of the government was that they had no money and could not do this work. Yet the people followed the advice of the government and did what was asked of them. This is another example of what I say is lack of planning on the part of the government.

In my constituency we have 63 breakwaters and 80 wharves, or 25 per cent of all the wharves and breakwaters in Nova Scotia. One good deep water port is required every 50 miles along the coastline of the constituency. There is a need for a deep water port in Pubnico and the Wedgeport area, since the Yarmouth port is not adequate. I will have more to say on this when we come to the details of the vote. For example, Wedgeport has been promised a wharf for many years. We hear the same story in every election, but no action is taken. Last year a wharf broke down in my constituency in Pinkney's Point. This year we find nothing in the estimates to cover the cost of rebuilding it, yet last year it was considered essential. This is what I mean by lack of planning.

In another instance, money was voted last year for a wharf in my constituency, yet no work was done. I could go on to mention every little village and town in my constituency where a wharf is needed but no work is being done. I know the minister is aware of the situation in the Digby area. I am sure he knows there is need for action with regard to a combination regional harbour for an efficient fleet, and there is also need for a permanent crossing. This has been recommended in a report.

During the last election the Liberal candidate in my riding said that the federal government was ready to go ahead with this, but that the provincial government did not want to take any action in this respect. However, my information is different. The one place in which the Prime Minister made a promise during the election campaign was in my constituency respecting the port of Digby. I refer to the $17 million project to improve ferry facilities between Digby and Saint John. The

project was to include $7 million for the construction of a new vessel and $10 million for docking and other facilities.

On looking through the estimates I found that half a million dollars was allocated for Digby and $475,000 for Saint John. At this rate it will take ten years for this project to be completed, and yet it has been promised. It has been said many times in the house that there is a need for improved facilities here, and that we will get them soon; yet nothing is being done now, and work will not be started for another couple of years.

This is another example of lack of planning. People are promised things and the promises are not kept. Quite a number of people are employed in the handling of freight at Digby and Saint John. What will happen to these people when the new vessel is constructed? I imagine that many will be out of work, so let us provide an alternative for them.

Let me remind the government of some of their promises given at a meeting in Digby, at which one of the speakers said there is a need for improved transportation facilities and larger wharves, and stressed the need for more adequate harbourage. According to what Dr. Stewart, the Liberal candidate in my riding, told the audience, if the government of Nova Scotia decides there is a necessity for a deep water crossing it should participate in the design work so that any project for marine harbour facilities will be as useful as possible. Again, at another meeting it was said that marine facilities are the backbone of the economy in our area. We must strive for continual improvement of these facilities if we are to have a fair share of the ocean resources available to us. This was stressed not by myself but by my opponent who was then parliamentary secretary to the minister. I wish that some of the funds could be reallocated or divided in a fair way. We have been told there would be a ferry in a few months time. The few months have gone by, but the tenders are not out yet, although I understand they will be any day.

I hope the minister will consider some of my proposals and, in co-operation with other departments, will do some long term planning to solve the problems facing the fishermen. We are not asking that everything be done this year, but we would like to know the plans for next year.

Mr. Gilbert: Mr. Chairman, first of all I would like to congratulate the minister on his appointment, and to say that I hope he will last the full four years and that he has no intention of moving to the other place, because his department is a very important one requiring the direction of a senior cabinet minister like himself.

In his opening remarks he mentioned the cooling of inflation tendencies in the construction industry. This is in direct contrast to what the former minister said in his opening remarks last year, when he presented the estimates to the standing committee, upon which occasion he said:

• (8:30 p.m.)

> We expect that this increase in our construction activities for 1967-68 will provide some relief to the construction industry which has been experiencing a decline in its activities.

I should like to point that out to the minister. Here we have a former minister talking about a decline in construction activities while the present minister wants to cool the inflationary tendencies in the construction industry. He also mentioned the improvement in buildings, when putting in more paper. This appears to be the paper generation. I am just wondering if he is the minister amongst the cabinet ministers who wants to be the most Xeroxed. I hope that does not apply to the Minister of Public Works. The minister used the phrase—and it is quite popular these days: This is modular co-ordination. Perhaps he could tell us in more precise terms what he meant by modular co-ordination.

I thought these estimates would have gone to the standing committee on national resources and public works, because of the necessity for a detailed study which would require the officials of the department to give answers to some of the problems that face us. I can recall that when we had those officials before the standing committee last year there was quite an array of them. I notice that tonight there are very few officials in the gallery and it would be nice to know that we could have them available to answer any questions that come up.

The other important aspect is that I thought we could examine the new departmental organization which should be examined on the basis of the functioning of the various branches. As you know, the reorganization was based on the theme of decentralization of authority to 6 regions and 18 districts. The headquarters organization was changed from one based on functions to be performed to one based on the sequence of

operations applying to projects. There are three different branches: one, programs and planning; two, design and, three, construction and operation.

Then, there was to be a program evaluation directorate, as well as three separate directorates which would provide financial, personnel and administrative support services. There was also to be a change in procedures between programs and projects. It would have been very nice to have before the committee the full array of officials who are responsible for these different changes and organizations, to give us their reactions to the changes in organization.

One feels, Mr. Chairman, that the minister must be the leader of this department and not the follower. We have found in the past that many civil servants lead the minister to the point where he is just like a marionette. This particular minister, during his period with Indian Affairs and Northern Development, was a leader. I would hope he would lead this department and not be a marionette at the behest of senior officials.

Last year during the consideration of the estimates we were supplied not only with a chart setting for the reorganization but a pamphlet with regard to tendering procedures. If I read this pamphlet correctly, there is a main principle with regard to tendering which is set forth in government contract regulations. This principle is, in effect, that before any construction contract is entered into the contracting authority shall invite tenders. There are three exceptions set forth. The first is where the contract is for less than $15,000. The second is where the contract is one related to a pressing emergency in which a delay would be injurious to the public interest. The third is that the work can be more expeditiously and economically executed by the employees of the appropriate contracting authority.

Now, you can state the general rule that there must be tenders, with three exceptions. This rule applies to four main types of contracts dealing with public works. There are construction contracts, purchase contracts, service contracts and leases. We find this pamphlet also contains a description of tendering, which reads:

> "tender" means,
>
> (i) with respect to a construction contract, a tender invited by public advertisement, and
>
> (ii) with respect to a purchase or service contract, a tender invited by public advertisement or from a representative list or representative lists of suppliers.

So, Mr. Chairman, there is the general rule with regard to tendering. It means that with regard to any construction contract treasury approval is necessary unless the contract is less than $15,000. If it is more than $15,000 and not more than $1 million, two tenders are necessary. I should like to ask the minister or his officials just what the breakdown is with regard to the different types of tenders for the different types of contracts. For instance, I should like to know how many construction contracts we had which were between $15,000 and $1 million. How many tenders were made with regard to those contracts? I should like to know also just how many contracts we had over a million dollars where treasury approval was necessary, and just how many tenders we received for them.

The reason for my request, Mr. Chairman, is that I feel the Canadian public have been milked by many contractors on government contracts. The sophistication in contracting firms today is something of which Canadians should be aware. I am advised that some of them have the same ownership but different names. For instance, in the province of Ontario we have about six major contractors, and even though the names are different the ownership is the same. When a tender is given on a government contract, in truth and in fact one and the same contractor is bidding on the job. It does not matter whether you have one, two or five of these particular contractors because, in reality, you have the same owner. They agree amongst themselves who will take the particular government job. Having agreed, the bids are then presented and are slanted to the position where the one that is selected obtains the job. If this is so, I would think the only way to look into the matter would be to get the owners of these different contracting firms before a committee, and make a thorough study of the ownership situation. As I say, the ownership is very sophisticated and is difficult to determine.

As an example, let me cite the Mannix Construction Company in the west. Mannix Construction was a privately owned contracting firm but was sold to a particular group of contractors. Mr. Mannix remained as president, so you can see that the public would believe he was still the owner of the firm. But he is not the true owner. These are some of the things that we, as a committee, should be studying. If we are overpaying on contracts, then we should know to whom we are overpaying. We should know who are the true owners of these contracting firms, because

these firms do make contributions to political parties. If this is so, then we should know who is making the contribution. The least the government could do is to have some type of clause in their contracts prohibiting the firm involved from making a contribution to any political party.

• (8:40 p.m.)

These are some of the matters on which I should like the minister to dwell when he deals with tendering on some of the contracts let by the government. This particular department, Mr. Chairman, is going to spend $306 million, which is an increase over last year's $294 million. That is a lot of money and I think we should have full value for it. We should also have answers to our questions.

I should now like to direct my mind to the third aspect of the operations of the minister's department, namely the question of waterfront lots. I am sure the minister remembers the heated debates that took place last session on the subject of waterfront lots in the Toronto area, more especially those in which the former member for York-Humber engaged. During those debates the hon. member obtained a legal opinion from the former minister of public works, and I should just like to make reference to the former minister's remarks on the subject of this legal opinion as they are reported at page 3367 of *Hansard* for March 29, 1966, where he said:

> Mr. Chairman, last Friday when these estimates were being discussed some questions were raised about the problem created by the practice of fill being put in waterlots along a long stretch of the shore of lake Ontario. The same matter was raised again today. I think I should explain where the responsibility of this parliament lies and how the situation is somewhat complicated by a division of jurisdiction.

Now comes the legal opinion, Mr. Chairman.

> The provinces own the land under the water, in other words, these waterlots, and it can be transferred by them to private owners, as is the case in the situation presently under discussion. When private owners acquire the waterlots the federal government cannot interfere with that in any way. Then the municipal affairs department of the province and the governments of the municipalities have jurisdiction in the ordinary way over building permits and that sort of thing. The federal authority has jurisdiction over the subject of navigation, and it is only in that connection that it is able to have any legislative responsibility and can take legislative action as set out in the Navigable Waters Protection Act. The difficulty in this particular case—and I am very quick to admit it is a real difficulty—is that of a person owning the lot getting a building permit from the municipality in the usual way.

[Mr. Gilbert.]

So from the former minister of public works, Mr. Chairman, you get the legal opinion that this waterfront property is owned by the province, but that there is a divided jurisdiction between the federal authority and the provincial authority.

You might ask, Mr. Chairman, just why I am inquiring about this matter. I should like to ask the minister as to the position of the federal government in regard to the Roberts Bank property in British Columbia. If the position is that the province owns the land under the water, then all that the provincial premier has to do is to convey it to the proper authority, and then the proper authority has full control and jurisdiction over the property. The present minister has taken a very active part in the Roberts Bank dispute and has said that the federal authority has full responsibility. If we were to apply the legal opinion and the reasoning used by the former minister of works, then we may find, Mr. Chairman, that it is the province that has full authority. We are going to spend a great deal of money on the Roberts Bank project, Mr. Chairman, so I think we should clear up once and for all who it is has authority over the waterfront lot on which the harbour is going to be built. We would not want to invest so much money unless we had full control over the property.

The last item I should like to discuss is the co-ordination of his department with others. What co-ordination exists between the minister's department and the Department of Energy, Mines and Resources. If ever a problem was plaguing Canadians these days, it is that of pollution. I think the Department of Public Works should work hand in hand with whatever department of the federal government has responsibility for that problem. I should like a statement from the minister concerning the co-ordination that is necessary to solve this problem. Whether we like it or not, Mr. Chairman, there is a feeling among Canadians that this problem of pollution appears to be just lying in state at the moment, with the federal authority taking no real initiative to find a solution, trying to rest its case on the argument that the responsibility lies with the provinces.

One can readily say, Mr. Chairman, that there is dual responsibility for this problem on the part of the provinces and the federal government. I should like a clear statement from the minister that his department is taking active steps to meet the problem of pollution by co-ordinating its activities with those

of the Department of Energy, Mines and Resources.

[*Translation*]

Mr. Caouette: Mr. Chairman, while we are dealing with the estimates of the Department of Public Works, I would blame myself if I did not point out to the minister how essential it is not to spend all his budget in some ridings which seem favoured by the government, at the expense of other ridings.

For instance, in my own riding, for a long time we have been asking for repairs to the post-office or for a new building, and it is precisely the Department of Public Works which should look after that. A few years ago, the old post office is Rouyn was repaired and an annex was added which, strangely enough, looks a lot like any hen-house we can see many in various parts of the country. A hen-house which is called the post office, right in the middle of the town of Rouyn, is certainly not very aesthetic.

When I mentioned the fact to the minister—not this minister but the previous Conservative minister—everyone wondered what had happened. Did the government architects lack judgment or did the government not know who to hire as a qualified architect to draw the plans so that our post office would look like one.

We still have that post office in the city of Rouyn which is in the last analysis the metropolis of northwestern Quebec. Beautiful post offices were built in Noranda, Val-d'Or, Malartic. But in Rouyn, it seemed good enough to build an addition to the existing post office dating back to 1928, I think, and it is a sorry sight as far as public buildings are concerned.

Many requests have been made over the years to the present Minister of Public Works and to his predecessors. For instance, there is in Notre-Dame-du-Nord an old bridge which must date back to the time when the Oblate Fathers were living in the old fort at Ville-Marie and there were only vehicles drawn by animals. In those days two ox-drawn carts could meet on that bridge but today, it would be nice if two cars could do the same, but it is rather difficult. Quite often, one car has to wait until the other has crossed the bridge, which is rather a long one. Such a state of affairs in 1968, in a region like Témiscamingue, does not make drivers very happy. Even if those who use horses or oxen today can quite easily cross that bridge, cars and especially trucks have a hard time getting across.

I am told that the department is trying to negotiate the sale of that bridge to the provincial authorities. I cannot recall for how many years there has been talk of that alleged intention of selling the bridge at Notre-Dame-du-Nord to the provincial authorities, but it belongs to the federal government at the present time. We have been waiting to hear about it for a long time. I understand that the budgets are not generous enough to allow the Minister of Public Works to authorize such constructions at the present time, but a start must be made. People have been asking for a new bridge at Notre-Dame-du-Nord for over 10, 15 or 20 years and the money has never been found to build one. Even when the riding was represented by a Liberal member, under a Liberal government, or by a Conservative member, under a Conservative Government, no way was found to improve that situation.

There is another problem, which is serious enough for the farmers of Temiscamingue: Lake Temiscamingue, one of the most beautiful lakes in Canada, is eroding its shores. For years now the government has been asked to build retaining walls to keep the waters from eroding the land of farmers who have been settled along the shores for several years. There again, we are told that the budget does not allow it. Still, during the election campaign, some time in May, a Mr. Bédard, a civil servant of the Department of Public Works, went over to grant small contracts in the riding of Temiscamingue to repair the wharves or, for instance, to put up $125 or $150's worth of rubber along a ramp. An amount of $125, $150 or $200 was spent per parish and people were told: See how generous the government is towards the people in these parishes.

They were given suckers just like that, at a cost of $125, to the extent where some contractor in a small parish came to see me at one point with a paper signed by Mr. Bédard authorizing him to do $225 worth of work. He said: The government does not want to pay me right away. You know, Mr. Caouette, I am a Liberal but could you not help me to get an advance of $225 from the bank at Rouyn? I then told him: Go to the Imperial Bank of Commerce in Rouyn tomorrow morning at 10 o'clock with your little paper signed by Mr. Bédard, and the manager will probably lend you the $225. If he refuses, tell him to call me. When the man told the bank manager to

call me, the latter said that there was no need to call me, and that he would lend the man $225 on the strength of the note signed by Mr. Bédard.

That, Mr. Chairman, happens during election campaigns. I see the hon. member for Beauharnois-Salaberry shaking his head.

• (8:50 p.m.)

Mr. Laniel: Just Beauharnois.

Mr. Caouette: Just Beauharnois. That is a lovely riding, but the hon. member is not quite as handsome as his riding.

Mr. Chairman, I will be told that that is but a slight case of political patronage. It is indeed. Why send a junior officer of the Department of Public Works? I sometimes call on senior officials in the department and I am treated very pleasantly. I get very good replies, for which I thank those who run the department. However, why send Mr. Bédard? Why, first of all, was he sent to give out small sums of $125 or $150 for slight repairs to be made to a wharf? These people are wasting their time with such money-tricks, trying to win votes and train organizers paid for the duration of the election campaign.

Mr. Chairman, this is a method which I would not use. I do not sit on the government side of the house; I could do such things, but I do not. People are free. But when important works must be done in a constituency, Mr. Bédard should be there and make appraisals. It is in such circumstances that Mr. Bédard should render a service not only to a political friend of the government, but to the public as a whole.

Now, with respect to the Department of Public Works, I have nothing else to say this evening, because I do not want to delay the consideration of the estimates. However, I insist that the minister and the officials should seriously consider the logical requests, whether they come from a Liberal, a Conservative, a Créditiste or a New Democratic constituency. It does not matter. All Canadian citizens, whatever their allegiance, pay taxes to the federal government and they are entitled to be treated on the same footing and with fairness. If we want to establish social justice and the just society, it is time to restrict petty political patronage during election campaigns and to act intelligently in the best interests of the people.

Now, Mr. Chairman, I ask the minister to consider the possibility of acceding to my requests for the constituency of Témiscamingue. Since other members are making requests for their constituency, I am doing the same for mine.

In the first place, as for the Rouyn post office, let us demolish the hen-house and build a post office.

Then, as for the bridge at Notre-Dame-du-Nord, it is essential to rebuild it. In addition, the shores of Lake Témiscamingue should be developed so as to protect the land. In fact, we have wonderful land in the constituency of Témiscamingue, but if we permit erosion by the waters of lake Témiscamingue, later on, we will have problems other than those which we now have.

Therefore, I call the attention of the minister to the immediate needs of the constituency of Témiscamingue.

[*English*]

Mr. Stewart (Cochrane): Mr. Chairman, the hon. member for South Western Nova alluded to the cost of the arts centre. Before going further could the minister tell us whether it is proper to discuss the estimates of that building at this time? This matter, as hon. members know, is before the committee on broadcasting, films and assistance to the arts, and we were told in that committee that it might be dealt with in the public works estimates. Is it to be dealt with in detail this evening or is it to be left to another committee?

Mr. Laing (Vancouver South): Mr. Chairman, I can probably shorten this discussion by saying that the National Arts Centre is to be dealt with in the estimates of the Secretary of State and should not be discussed under the present vote. In any case, as the hon. member knows, the matter is now before a standing committee of the house.

• (9:00 p.m.)

Mr. Stewart (Cochrane): Mr. Chairman, I wish to bring to the minister's attention a serious situation in my riding, in which he may be helpful. In my riding of Cochrane is the town of Kapuskasing in which is a landmark known for many years as the Kapuskasing Inn. This is a solid brick and steel building worth about $750,000. It was erected some years ago by the Spruce Falls Power and Paper Company and was used as a hotel until recently. A few weeks ago the building was closed because it represented a liability; the company is not in the hotel business. I happen to know that the company in question would be interested in making this building available for community use, provided some

good use would be served by it. The provincial government has looked into this, and is still considering it.

I have asked two departments of government whether they would be interested in this building. I asked the Department of Manpower and Immigration whether the building might not be used as a training school for the forest industry—the most important industry in our region. I asked another department whether it could not be used as a cultural centre, because there is none in existence in northern Ontario at the present time. I happen to know that this building which is worth, as I say, $750,000, could probably be purchased for a nominal sum, perhaps even for a token amount of one dollar. It is true that a few thousand dollars would need to be spent on its renovation.

So far these efforts have been futile. Various departments have replied with quotations from the rule books. I think this is a special case, one which is not covered by the rule books. It is not every day one can buy a beautiful building for next to nothing for the people's use. But not one of the departments of government appears to be interested, so I ask the minister whether he will take special note of this project—whether some means could not be worked out whereby this fine building would remain where it is and be used for community purposes. Otherwise, next spring it will be torn down, and this would be a tragedy to happen to the skyline of Kapuskasing.

There is another point I should like to mention. Many members of parliament have been concerned about office accommodation in their ridings. I know governments are hesitant to make any pronouncement on this question because it is not popular politically, perhaps, to announce that the government is willing to establish offices for members of parliament in their ridings. At the same time, there are a number of ways in which something could be done. For example, when there is a public building belonging to the federal government within a riding it seems to me space could be made available in it for the use of the member of parliament, at least when he is seeing people in his riding.

Some hon. Members: Hear, hear.

Mr. Stewart (Cochrane): I see by the estimates that improvements and alterations are going on to the federal building—it is a post office—in the town of Cochrane. I know for a fact that room could be made available in that building, or that at least a small corner could be provided for a member to take his messages and see people, at least when he goes to his riding at the week ends. I do not think anyone in the house would be against using public buildings in this way, so I would ask the minister to consider carefully whether this privilege could not be extended to members wherever no additional expense would be involved. I do not think this is unreasonable.

[*Translation*]

Mr. Asselin: Mr. Chairman, first of all I wish to echo the last words of my friend for Cochrane (Mr. Stewart) who asked that premises be found in public buildings to accommodate the members, so that they might have a place to meet their electors. Indeed, I believe I speak for the official opposition in saying that if the government were willing to build such premises to make it easier for members to meet their electors, we would agree with the party in power.

If my colleague would kindly stop speaking with the minister, I would continue my remarks.

Mr. Chairman, the minister should take note—I believe he has done so already—of the unanimous request of the house. Though it may be said in certain quarters that the minister may only be temporarily assigned to that department, were he to provide each member with an office in his riding, I would say that he is a great Minister of Public Works. That is a necessity.

Most of the members do professional work which often requires them to see their clients as well as their electors. If the government in power, through the Minister of Public Works (Mr. Laing), decided to provide in each riding, in public buildings, premises where the members, not only the members of the government, but also the members of the opposition could meet their electors and discuss their needs. I say, in advance, to the minister that such a decision would certainly be welcomed by the members of the official opposition.

Often, there is a tendency to minimize the importance of public works; yet, to my mind, they constitute a refund, a dividend to all the taxpayers. This department is important, especially in the ridings located along the St. Lawrence river, and I also wish to emphasize at this point, the particular geographic location of the riding I have the honour to represent.

Supply—Public Works

Mr. Chairman, if we study the estimates of the hon. Minister of Public Works, we can say that once again Quebec is discriminated against with regard to the amounts allocated by the Department of Public Works to projects which should be carried out in Quebec.

• (9:10 p.m.)

If we refer to page 397 of the Blue Book, we find that in relation to other provinces, we receive lesser amounts and are not treated on an equal footing as far as concerns our needs and services that the Department of Public Works should provide. This gap could be filled now by the appointment as Parliamentary Secretary to the Minister of Public Works of the hon. member for Chicoutimi (Mr. Langlois), to whom I have not yet had the opportunity of extending my congratulations. I therefore congratulate him now for his appointment but, at the same time, I assign him a task, that is to watch over the amounts allotted to Quebec with respect to large scale projects that Quebec municipalities claim from the federal government and that come under the Department of Public Works. This is the task which the member for Chicoutimi, the Parliamentary Secretary to the Minister of Public Works will have to accomplish during his term. Considering his interest and affection for Quebec, I am sure that he will succeed.

Mr. Chairman, since the Liberal government has taken office, that is since 1963, the policy regarding the building of retaining walls along the St. Lawrence river has changed. When our party was in power, we built several such walls. However, the municipalities or the water-lot owners had to prove that the erosion was due to navigation and the Department of Public Works sent engineers to complete a survey. If there were sufficient grounds for the complaint, the municipality or the water-lot owners received the funds required to build a retaining wall. This happened along the St. Lawrence river, in Saint-Joseph-de-la-Rive and Saint-Irénée in my riding.

However, I am told that, for the past two years, the policy of the Department of Public Works has changed completely. Therefore, the time has come for the minister, during consideration of his estimates, to clearly define the policy of his government with regard to the construction of retaining walls along the St. Lawrence river. I made several requests in this regard lately to the department; it seems impossible, under the new policy of the minister to find out for sure whether the erosion is due to navigation. If the land has been eroded and if the properties located along the St. Lawrence are in danger, it is because the department has not built, in due to time, the necessary retaining walls.

I should also like to deal tonight with the dredging and the building of marinas.

I know, Mr. Chairman, that the provincial Department of Fish and Game, in co-operation with the Department of Rural Development, has prepared plans for the construction of marinas, in various ridings in the country.

As far as marinas are concerned, for the last three years I have been asking the federal Department of Public Works to tell us whether it is really interested in dredging in places where marinas could be constructed in my district, as well as at Pointe-au-Pic, Tadoussac, all holiday resorts where dozens of sailing boats are coming every day from Quebec, along the St. Lawrence. Those sail boats and others need shelter so as to be able to continue their trip towards the Saguenay, up to the beautiful constituency of the parliamentary secretary, the hon. member for Chicoutimi (Mr. Langlois).

I would also like to know whether the minister has a policy to announce as far as the building of marinas along the St. Lawrence is concerned, especially at Pointe-au-Pic, in my own constituency, and at Tadoussac.

Mr. Chairman, before the election, a committee was set up in Quebec for the purpose of inquiring into the possibility of using fully Beauport sand bars. I know that members from the Quebec area looked into the matter and that city councils also met to study, in co-operation with experts, the possibility of using Beauport sand bars as an extension to Quebec harbour facilities. I am aware of the fact that both municipalities and chambers of commerce of the Quebec region were presented with a brief and reports. However, from the time this government was returned to power on June 25, nothing has been said about it.

Mayors of the Beaupré shore asked me lately to raise the matter in the house.

Mr. Duquet: Would the hon. member allow me a question?

Mr. Asselin: Yes, certainly.

Mr. Duquet: I would not like to embarrass the hon. member—

Mr. Asselin: No, this would not embarrass me at all.

Mr. Duquet: The hon. member is not unaware of the fact that a 1,000-foot-long wharf is being built at a cost of $2 million, the second one to be erected on the Beauport sand bars at the mouth of the St. Charles river. Another wharf of the same size was constructed last year. This is something worth mentioning.

Mr. Asselin: That is a small beginning. I shall revert later on to the matter of the St. Charles river.

In 1965, the government and government members from the Quebec area publicized widely, in conjunction with the chambers of commerce and the municipalities, that they were to launch a huge project for the development of some of the Beauport and Beaupré sand bars.

I am very happy to have this information and I thank the hon. member for Quebec East. Of course, I cannot get this information as I do not sit on the government side of the house, but all the same I thank the hon. member for Quebec East. But if this is all, we are no longer dealing with the project of the Liberal members as well as the municipalities and the chambers of commerce concerning the use of the Beauport sand bars. If it is a beginning, so much the better. I hope the hon. member for Quebec East and those of the province of Quebec will do their utmost to convince the Minister of Public Works to go ahead. And if the hon. member for Quebec East needs the humble contribution of the member for Charlevoix, I am at his disposal.

There is also the much debated question of the St. Charles river. But, Mr. Chairman, here I am praising the hon. members opposite.

• (9:20 p.m.)

Mr. Langlois: Keep it up, you are doing fine.

Mr. Asselin: When the mayor of Quebec City states publicly that the matter of the St. Charles river does not concern the hon. member for Quebec East, he is making a big mistake. That matter concerns not only the hon. member for Quebec East but also all hon. members from the Quebec area because it should have been settled a long time ago. And if the hon. member for Quebec East is entitled to political thanks, he should get them all. If he has worked, as he seems to have, on the St. Charles river project, he should be free to state publicly that this matter concerns him as much as the mayor of Quebec City and as much as hon. members from the Quebec area.

The hon. member for Quebec East should continue his efforts, so that those of Quebec City as well as the agreements concluded by the federal government and the provincial government may result in practical and concrete action. The inhabitants of that area have endured unacceptable conditions for a long time. I think it is time that Quebec City as well as the provincial government, with the co-operation of the federal government, take definite steps to end the pollution of the St. Charles river. It is a terrible thing for Quebecers to admire such a beautiful river which is polluted and, in my opinion, represents a real danger for the owners of riverside properties who live there.

Mr. Duquet: It has been settled.

Mr. Asselin: So much the better, Mr. Chairman. The hon. member for Quebec East tells me that the matter has been settled. He is justified in keeping his political merit, because he needs it. If the mayor of Quebec City tells him to mind his own business, he is wrong. For once, I agree with the member of Quebec East. I congratulate him for his work; indeed, I suggest that he should continue to settle the important sanitation problem in that magnificent part of Quebec City which if it were developed according to the wishes of the public, would perhaps become the most charming site of Quebec City.

Mr. Chairman, since 1963, my constituency has not been spoiled by the Department of Public Works. From 1958 to 1963, $4 million were spent there. Almost all the wharves in the constituency of Charlevoix had been constructed or rebuilt. I was unable to build a few others, because I was defeated in 1963. I would like to draw the attention of the minister on the wharf of Ile-aux-Coudres, in my district. This wharf is deteriorating and it is very useful to tourists who use the ferry between Saint-Joseph-de-la-Rive et Ile-aux-Coudres. I have made representations in this regard to the Minister of Public Works. I have even asked the engineers of the department whether blueprints had been submitted to the department in order to try and repair the wharf of Ile-aux-Coudres or to add thereto a cage 200 feet long so as to allow year-round navigation. I wish the minister would consider this. I understand Quebec engineers have

submitted to Ottawa blueprints for the repair, reconstruction and addition of a cage to the wharf at Ile-aux-Coudres. But no amount has been allotted yet in this year's estimates for improvement.

The minister may not be aware of it—but the members of the Quebec area know it—that for the last few years, Ile-Aux-Coudres has pre-eminently become a touristic ground. During the last four months, the provincial government has made available a ferryboat for tourists who come to visit the fine riding of Charlevoix. This ferryboat has been completely full during the tourist season in spite of all kinds of difficulties she has had to face to moor alongside the wharf of Ile-Aux-Coudres. I shall pester the minister until I know what happened to the plans and specifications that were prepared by the engineers of his department for the reconstruction of that wharf, which I feel is urgently needed for navigation.

The hon. minister must be aware that Charlevoix is a seamen's riding. There are numerous boat owners who need harbour facilities to carry on with their work. Since 1965, it seems that the seamen of my riding, my constituents, are being penalized for having voted conservative. We are in the dark ages! The necessary maintenance work is not even done to keep the wharfs in proper condition.

Therefore, I am giving the minister fair warning: until I obtain the required information regarding the Ile-aux-Coudres wharf—I know the minister will seek that information—I shall keep at him about it.

The department seemed to indicate that since l'Ile-aux-Coudres and Saint-Joseph-de-la-Rive were a continuation of the highway, it was the responsibility of the province to build and maintain the wharf. However, if this is the policy of the Minister of Public Works, I should like him to tell the house about it. Therefore, I ask him, if he has time, to make enquiries in order to provide me with the information I requested during this debate.

Mr. Chairman, as I said earlier, the Department of Public Works is an important department, since it is responsible for the distribution of the taxpayers' money in the ridings along the Saint-Lawrence River, where navigation takes place.

For some years now, as I have said before, the province of Quebec has been discriminated against with regard to the appropriations to that province for the purpose of improving our harbour facilities.

[Mr. Asselin.]

I hope that the honorable minister will take notice of my remarks and I am expecting his answer.

[*English*]

Mr. Lundrigan: Mr. Chairman, I shall try to act like the good Conservative I am by being conservative in respect of debating time, because I know there are quite a few hon. members who wish to take part in the debate.

First of all I should like to say that the minister's statement was impressive for its brevity. I wish also to pay a compliment to the officials of the minister's department in St. John's, Newfoundland. I listened with great attention to the minister's reference to the decentralization of the Department of Public Works. This is a step in the right direction. When I say this, you can rest assured that the work of the department, at least in St. John's, Newfoundland, is in very good hands in the persons of Messrs. Knight, Whelan and Butler. I have had occasion to talk to these gentlemen, and I may say that I hope the kind of attitude I found prevalent in talking to them is also the attitude of the new minister. I am sure it is. I hope the minister will enhance the very good relations we already have.

The estimates of this department, of course, are always of great interest to parts of Canada such as the Atlantic region because, as my colleague pointed out a minute ago, this is one area where the taxpayer gets little return from his heavy taxation. Quite a change is taking place in the various departments in areas such as regional development, fisheries, post offices, and so on. I am aware that many of these programs, which will be co-ordinated by the Minister of Public Works, must be co-ordinated in co-operation with the various other government departments. We would not like to see tabled in the interim the projects which we hope will materialize in the Atlantic region, before the necessary formal restructuring takes place.

Sometimes governments are apt to become so taken up in the restructuring or setting up of the framework of departments that they forget to govern at all. I hope this will not be an accusation which can be made about this department. I have noticed with some dismay the reductions in the expenditures under the Department of Public Works specifically as they relate to the province of Newfoundland. I notice, for example, that in the fiscal year

1967-68 there were expenditures of $4.8 million under the harbours and rivers engineering services on construction, acquisition, major repairs, improvements, plans and such for harbour and river works and so on. This year the expenditure is down almost $2 million to just over $3 million. In other words, it is almost cut by one half from what it was last year.

• (9:30 p.m.)

I notice too with a little reservation the minister's statement about the cooling off of inflationary tendencies. This has already been mentioned by a number of hon. members. I have one great reservation in this regard, because it seems to me rather contradictory to be talking about regional development on the one hand, thereby suggesting some special arrangement and programs, while on the other hand talking about the curtailement of the operational programs and expendiures.

The minister who is responsible for regional development made a statement to the Atlantic provinces economic council last week in which he referred to the great problems the government has in coming to grips with the necessity for stimulating regional development. On the one hand there is a problem in respect of stimulation of growth, while on the other hand there is apparently a need to cool off inflationary tendencies in areas such as central Canada.

There is a great challenge in this regard because any government program which is adopted on a national basis without regard for regional programs will have an adverse effect on areas such as the Atlantic region. The minister responsible for regional development is quite aware of this. I am sure the Minister of Public Works is equally aware of the fact that we cannot accept national policies and a curtailment of programs and expenditures at the risk of a lack of regional development.

The minister of regional development mentioned that there is difficulty in trying to curtail inflationary tendencies in Canada, while at the same time providing employment for the Atlantic region. Surely this necessitates a broadening of programs and government expenditure. This is one of the great contradictions in the various operations of government departments.

I have noticed in the last two weeks that almost every statement emanating from the government benches has had reference to curtailment and balanced budgets. They have referred to cutting down on expenditures. The estimates we have before us now indicate a cut in expenditures in one small area by almost one half. This is contradictory to the philosophy of the present government that it will provide for regional development.

As I stand here today I am almost tempted to go into great detail, and I would do so if time permitted, to give the house a panoramic tour of my constituency. I am sure I would not be criticized because I believe it was Sailor Jack who was very adept at giving hon. members a panoramic tour of his district. I happen to represent almost the same area. I suppose hon. members are quite aware of the district that is now Gander-Twillingate which includes part of Green Bay provincial district, Notre Dame bay and Bonavista bay.

I could mention the various needs of the larger and smaller communities in this area and would like to do so, but I shall honour the commitment I made earlier to curtail my remarks. This will give other hon. members the opportunity to bring some of their problems to the attention of the minister. I hope that as a result of not giving a panoramic tour the minister will give a little extra consideration to my requests, which are reaching his desk every day. Time does not permit me to go into detail to point out the many and varying needs of these fishing communities along Notre Dame Bay and the Bonavista north region.

I represent three islands in Notre Dame Bay with a population of 15,000 people, who survive almost solely by fishing. This is one area in respect of which the minister can show me, as I am sure he will, that the just society will result in something tangible, and that we will receive consideration regarding the very modest requests we have made. We are not looking for great multimillion dollar expenditures, but we are looking for a variety of construction which will result in stimulating the fishing activity in the Atlantic region.

Surely the minister would be happy to recommend to his district and regional officials the implementation of many of the things I will and have directed to his attention. Let me express one grave reservation I have about one particular thing that has been brought to the attention of the minister's department. I represent the great town of Gander, Newfoundland, where the international airport is situated. This is one of the finest towns in the whole of Canada, and if it

were given the least bit of government support and encouragement I am sure it would become the capital of the east coast of Newfoundland, and might easily become the capital in many ways of the east coast of Canada. Hon. members are aware of the facts inherent in that statement.

For several years the town of Gander has been in need, but not lobbying for, a new public building. Before I came to Ottawa, some time during the election campaign, my opponent made reference to the need for this public building. I believe there was some preliminary statement about the construction of such a building in 1970. Since I came to Ottawa I have been in continuous correspondence with the Postmaster General about this need to house postal facilities as well as other facilities. About a month ago I obtained a commitment that the new building would be started in 1970. I very happily communicated this information to my constituency, where it was well received.

I was delighted that the government had finally realized an obligation in this regard to provide a necessary structure. Several weeks later I received notification from the minister that, on the basis of information he had, these plans had temporarily been set aside. I am not sure he used the word "temporarily", but he informed me that the plans had been set aside and that postal facilities would be extended in the community and the other people occupying the building, like the R.C.M.P., customs and excise and various other government officials would be farmed out to a number of offices in the community of Gander.

I was hoping that this would not come to pass. In the past few years this has been one of the busiest small towns in Canada. Right now we have a very inadequate public building. What this new plan will provide is modest post office facilities and accommodation for various government department officials in various new offices throughout the town. This is certainly not the way to achieve some of those ends indicated by the minister in his preliminary statement.

The minister said we could not afford to curtail office accommodation. We cannot afford this kind of activity because in the long run it will result in an increased burden on the taxpayer. I urge the minister to take heed of this particular plea. It is not often I get the opportunity to stand in this house and make reference to specific points such as the one I bring to the minister's attention now. I hope he will at least give consideration to investigating this situation and, like the Minister of Transport, I hope he will heed the advice of the people from these areas, because they know all too well the problems facing these communities. I say to the minister that we do need this building and I assume he will take note of what I am saying and have his officials investigate the matter and remedy these present inadequate public facilities in the town of Gander.

I could go on for quite some time outlining a number of problems, but there are other hon. members who have problems of equal importance.

• (9:40 p.m.)

Mr. Marshall: Mr. Chairman, in rising to speak on the estimates of the Department of Public Works, I hope we can all accomplish as much as we did this afternoon in the debate on the estimates of the department of supply and services. There was such a spirit of camaraderie prevalent this afternoon and there were so many bouquets flying around that one might have thought the government and the opposition had declared a truce.

In the short time allotted I wish only to make one plea, and my request deals with the harbour development in the city of Corner Brook, Newfoundland. I cannot stress enough the vital importance to the future economy of the whole of western Newfoundland of the completion of this project. The port of Corner Brook serves the city of some 30,000 people and it is rapidly becoming the main distributing centre of goods and supplies for western and northwestern Newfoundland and Labrador, an area with a population of over 130,000 people.

The development of new roads and bridges has made this port an essential transportation link and the gateway to the whole new and exciting area of Newfoundland. The central section of the existing Corner Brook waterfront consists of docks of Bowater and Western Terminals and the C.N.R. wharf. These docks which were built on timber piles in 1920 and should have collapsed years ago are inadequate for the volume of cargo passing through them. It was predicted that these wharves would not last beyond 1967. However, at great expense they were planked and stitched together last year, and are in such bad shape that the main carriers threaten they will abandon their service after this season. Trucking concerns will not let their heavy trucks over the wharves for fear of collapse. Last year Western Terminals handled over 74,000 tons of cargo. This could

have been much more but for the danger of landing cargoes in excess of the minimum tonnage.

The payroll of the casual workers is around a half million dollars, and some 200 workers are employed. Representations have been made mainly by the chamber of commerce of Corner Brook since 1964 to all levels of government, outlining the critical condition of the wharves and the effect on the economy of the city, and indeed of the whole western part of Newfoundland.

It is noted in the estimate that only $200,000 is allocated toward the provision of new wharving and dock facilities for 1968-1969. However, this money is provided, as I understand, from the Public Works Department for pile testing, designs and other preliminary work. It follows therefore that with this amount of money it will not be possible to start construction in the same year. If this construction is not started next year I should like to point out to the minister that some 200 men will be put out of work and some half million dollars will be lost in pay to these employees. Further, the loss of this service will have far reaching effects on the provision of goods and services to the whole of the great northern peninsula.

If the minister responsible for regional development is sincere in this planned outline for all parts of the Atlantic region, and since the Minister of Public Works will no doubt be working closely with that department, I urge him to heed my request, which is offered with sincerity, to adopt emergency measures so that moneys will be provided to complete the harbour development project in Corner Brook and to save the government serious repercussions which would otherwise arise if this project is not completed next year.

Mrs. MacInnis (Vancouver-Kingsway): Mr. Chairman, I want to ask the minister for some information on several points. Coming from the Vancouver area I wonder what projects are planned to replace those that would have been possible with the winter works program. I have in mind the fact that unemployment figures were very much higher last winter in the months of November and December than they had been in the previous year in those two months, and that there is every indication that they will be going up higher again in these same two months. I wonder what program the minister is planning to supply as an alternative program to the winter works, because I am sure it will be necessary.

He will remember that before we came here at the beginning of this year we attended a meeting of a number of workers from various trades in the North Vancouver shipyards in connection with shipbuilding, construction work and manufacturing. We were impressed by the large percentage of people who were laid off when the winter months came on. I have been looking at the estimates of the department and I just cannot find any project which I believe would be sufficient to care for the number of unemployed people there will be in this winter period.

The second point to which I should like to refer briefly relates to Roberts Bank. My colleague, the hon. member for Broadview, spoke about the recent opinion given by the former minister of public works, that the land comprised by the waterlots is within provincial jurisdiction. I am wondering how this will apply to the harbour and other attendant facilities at Roberts Bank. In other words, I wonder if the minister could let us know how the jurisdiction will be divided between the provincial and federal governments in connection with Roberts Bank, what facilities the federal government intends to build there and what will be left to the province—or perhaps I should say, what the province will leave to the federal government. It seems to me that we would be doing very well if we could get the legal opinion which the Minister of Transport assured us was being sought as to jurisdiction in the matter of Roberts Bank. I should like to ask the minister to enlighten the house as to the jurisdiction of his department in connection with the harbour facilities.

When I was on the west coast recently I heard that the provincial government was planning to take upon itself the building of quite a number of the facilities and that it might even lease them out to foreign companies. I would certainly like to hear what the minister has to say with regard to harbour facilities at Roberts Bank.

There is another matter I would like to bring up. Early this year I received letters from the building service employees union on the coast in connection with a cleaning contract they had with the Vancouver post office. They were complaining that the federal government did not adopt the policy of awarding contracts only to union firms, that it insisted on pursuing the policy of letting contracts to the lowest bidder without any particular concern for what it meant in terms of working conditions for the workers involved.

I took this up with the then minister of public works and he told me that this had indeed been the policy, that it was not necessarily union firms which received these cleaning contracts. I would like to impress upon the minister that in awarding contracts to cleaning and other firms a policy should be adopted of dealing strictly with union firms, because it seems to me to be improper for the federal government to set such a poor example of dealing with non-union firms in awarding these contracts.

There are a number of other matters that I would like to raise but I think I had better confine myself to these three specific points. The first question is, what are the major works planned by the minister as a substitute for the winter works program which will be adequate to handle this problem, one which is always complicated in the sea of unemployment.

• (9:50 p.m.)

The second matter is Roberts Bank. How is the division of facilities going to be made between the federal and provincial authorities and what facilities has the federal government clear authority to build? The third question is this: Will the government consider revising its policy to one of dealing strictly with union firms in awarding cleaning and other contracts in public buildings?

Mr. McGrath: I listened with interest to the minister's statement, Mr. Chairman. I was rather intrigued by his suggestion that members of parliament could refer their requests for various constituency public works projects to the regional head offices. Perhaps he may be able to report on this, because in our particular case I understand that the Newfoundland regional head office is located in Halifax. In many instances I would suggest—and certainly it has been our experience in other areas when we have regional head offices located in the maritime provinces—that they are not fully conversant with the peculiar problems of the province of Newfoundland. I understand that perhaps the minister was referring to what could be considered miscellaneous public works, that is works under a value of $50,000.

I share with other hon. members a certain amount of disappointment over the fact that the estimates have not been referred to the committee. There are a number of questions of a detailed nature which we would like to direct to the officials of the department, and naturally many of us are reluctant to take up the time of the committee with probing questions of a detailed nature. The hon. member for Gander-Twillingate referred to the vote under harbours, rivers and engineering services and compared that to the vote last year for Newfoundland. He referred to the substantial reduction. I should like to hear the minister comment on this reduction, because I think our problems in this particular area of public works, which is so important to Newfoundland, far from diminishing are increasing yearly. If anything, we would have expected the estimates under this particular vote, which as I have said is so important to Newfoundland, would have increased substantially. It is interesting to note the comparison of this vote under harbours, rivers and engineering services with the New Brunswick vote.

Even though it, too, has been reduced as compared with last year, nevertheless it is still in excess of the vote for Newfoundland. I do not feel it is unfair of me to point out that in Newfoundland our problems are much more substantial, much more numerous. We have many more harbours, many more marine facilities because of the vast coastline of the province of Newfoundland, taking in as it does the coast of Labrador.

In connection with these estimates, Mr. Chairman, I should like to refer briefly to the St. John's harbour development. I note that the vote for this year for St. John's harbour is merely $100,000. I should like to know, for example, what this covers because we have been hearing now for a number of years suggestions that the Department of Public Works of the government of Canada would be extending the St. John's harbour development to include the eastern end of the harbour. Since some of the harbour development has been completed, there has been a quite unexpected increase in the amount of traffic flowing into the harbour of St. John's. Obviously, this is a direct result of the improved facilities that we now have in that very important port. For example, I should like the minister to tell us if there are plans to proceed with the extension of St. John's harbour. We had hoped there would be some word in this particular direction this year because, as I say, the need is great and is growing steadily.

In so far as accommodation is concerned, I should like to endorse the comments of the hon. member for Cochrane. I, too, am of the opinion that members of parliament, in constituencies where there are public buildings,

should be provided with accommodation so they can properly discharge their duties while the House of Commons is not sitting, or indeed while it is sitting. There are many occasions upon which we have to go to our constituencies to attend to constituency public business. Many of us are at a disadvantage because we have no place from which to operate. We have no place in which to receive our constituents, no place in which to correlate our activities in relation to our responsibilities as members of parliament.

In the general area of accommodation, there is an acute shortage in the city of St. John's. I do not believe anyone will quarrel with that statement. We are experiencing overcrowding in our various government of Canada buildings. Many of our departments are housed in temporary quarters which were acquired as a result of the United States vacating military establishment in St. John's. These temporary accommodations are inadequate to serve the needs and various important functions of the federal government.

I feel it is about time the government of Canada gave serious consideration to the construction of a new public building to house these various departments that are now in temporary quarters. This would alleviate the acute overcrowding that exists in the main public building which is now most inadequate to the needs of the government in my province. There is one other important question which I should like to have answered, because I am a little confused about the relationship between the Department of Public Works and the Department of Fisheries. Many of us who come from the maritime areas are continually made aware of this problem.

For example, we go to the Department of Public Works to request a new, modern facility for a small fishing activity in a particular area. The Department of Public Works will tell us this matter has to be referred to the Department of Fisheries. We go to the Department of Fisheries and we are told by the Department of Fisheries that they cannot justify this expenditure because there is not sufficient fishing activity being conducted in that particular area. It evolves down to the old question, then, of which comes first, the chicken or the egg.

The Chairman: Order, please. It being ten o'clock, shall I rise and report progress?

Progress reported.

Proceedings on Adjournment Motion

BUSINESS OF THE HOUSE

Mr. Macdonald (Rosedale): Mr. Speaker, before we begin the adjournment debate I should like to announce that the business for tomorrow will be as announced last Thursday, namely continuation of the budget debate.

• (10:00 p.m.)

PROCEEDINGS ON ADJOURNMENT MOTION

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

CONSUMER AFFAIRS—EDMONTON—REPORTED SHORT WEIGHT OF ICE CREAM BARS

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I hold in my hand an Ontario version of an Alberta fudgsicle, a frozen confection on a stick. I have brought it here tonight because there was so much merriment at the word "fudgsicle" the other day I felt sure that a number of members did not know what was meant by the word. I thought I had better give them some general idea.

Actually, Mr. Speaker, the matter is quite serious from the standpoint of the consumer. On July 16 a man in Calgary bought some fudgsicles made by Woodland Dairy Limited of Edmonton. The package advertised that the contents amounted to three fluid ounces. He became suspicious of the weight and volume, made tests, and found that these fudgsicles contained only 2½ fluid ounces. He then became convinced that the public was being cheated one half ounce on each fudgsicle. Not very impressive, I admit, to a lot of members in the House of Commons, but much more so to a mother whose children are continually being given money to buy these things.

This man then took up with the Calgary federal weights and measures office on or about July 17 this matter of the defrauding of the public as a result of this underweight. He wrote to the chief inspector of the Calgary office of weights and measures on July 22, and also wrote the minister in Ottawa two letters dated August 12 and August 19 asking for action to protect the public. On August 28 he was assured by the minister's office that the Calgary office had the matter in hand and would get in touch with the complainant when the report was finalized. In the letter was this sentence:

> The dairy products division will work with the dairy to ensure that all future production is up to declared quantity.

The Calgary complainant decided to employ the independent services of a chemical laboratory to make dead sure of his facts. From the yellow pages of the telephone book he took the name of Chemical and Geological Laboratories Limited and asked them to buy Woodland Dairy fudgsicles wherever they liked, and to give a written report on the fluid ounce measure found. The report disclosed that the average fluid measure, taking all tests and results, amounted to 2.516 fluid ounces.

This is my point, Mr. Speaker. These tests were made two and a half months after the complaint was made to the weights and measures office. As far as I am aware, no final report has yet been given to the man in Calgary who first complained. In fact he has received no information of any kind following the letter from the minister's office on August 28.

The results, Mr. Speaker, are these: First of all, Woodland Dairy fudgsicles continue to be sold at an advertised weight of three fluid ounces when actually they contain only two and a half. There are four other competitors, I might point out, who sell a similar product at the full advertised weight of three ounces per fudgsicle.

In the second place, the public continues to be defrauded by Woodland Dairy Limited.

In the third place, this dairy is piling up profits. It is an affiliate of Palm Dairies Limited, which itself in turn is an affiliate of Burns Foods Limited.

What I want to ask the minister, Mr. Speaker, is why no action has yet been taken which has resulted in the making of a report in this matter. This minister has made good efforts to streamline his department, and I am anxious that he start off on the right foot. I cannot understand for the life of me why after three months no investigation has been made of this small matter—small for an investigation of this kind but a very large matter for the consumers of Calgary and area. It is also a very bad reflection on the credit of a government department which is aiming to protect the consumers of this country. I want to find the reason for the delay in this matter.

Mr. Stanley Haidasz (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, speaking on behalf of the Minister of Consumer and Corporate Affairs in reply to the question raised by the hon. member for Vancouver-Kingsway I wish to state that the complainant in Calgary was informed on August 28 that preliminary checks had been made on the fudgsicles sold by this dairy company. While shortages in volume of fluid ounces were found to be smaller than those reported to the department, fudgsicles checked by the displacement method had volume content somewhat below declared value. The complainant was assured that the dairy products division of the Canada Department of Agriculture would work with the dairy company to ensure that all future production would be up to declared quantity.

I was also informed, Mr. Speaker, that in subsequent checks by the dairy products division on production of this company, no shortages were found in fudgsicles, and overmeasure in all novelty lines averaged 7 per cent.

In a letter from the complainant received last week he again reports shortages of approximately one half fluid ounce on fudgsicles purchased from retail stores. I am advised that the dairy products division will again make special checks, in addition to its normal program of control, in order to determine whether the reported shortages are indicative of a current production problem or are limited to a small stock from older production.

AIRPORTS—TORONTO—PROTESTS AGAINST EXPANSION OF FACILITIES

Mr. John Gilbert (Broadview): Mr. Speaker, on November 1 I directed a question to the Minister of Transport which is reported as follows on page 2302 of *Hansard*:

> In view of the angry and justified protests of the residents of the Mississagua area to the expansion of the airport facilities at Toronto, would the minister reconsider the plans for extension of the airport?

I asked this question because on Wednesday, October 30, 700 persons of Applewood Hills in Mississaugua attended a public meeting at Burnhamthorpe school to study the question, or to protest the expansion of facilities at Malton, at the Toronto International Airport. Two hundred people were turned away from that meeting, between members of the homeowners association and members of the Society for Aircraft Noise Abatement. All there protested the expansion of airport facilities.

Toronto International Airport at Malton comes within the jurisdiction of the Minister of Transport, and those at the meeting had two main objections to the expansion of the facilities. The first dealt with the question of noise and the second with the question of

pollution. Persons at that meeting listened to the recorded sound of a jet taking off, amplified to a maximum 100 decibel tolerance level. They were told that by 1980 jets taking off would be twice as loud as the loudspeaker sound they heard that night. When one considers that 50 decibels constitutes ordinary office background noise, he can appreciate the concern of those who attended that meeting.

Forecasters have indicated that, though Toronto International Airport will handle 4 million passengers this year, by 1980 it will handle 14 million, and 19 million by 1985.

• (10:10 p.m.)

Also, those at the meeting were told that one jet engine while taking off spews out an amount of pollution that is the equivalent of the pollution generated by 225 motorcars starting up. Four jet engines spew out pollution equivalent to that of 900 cars starting up. This causes a tremendous amount of pollution, and one can understand the concern these people feel, especially when this is coupled with the problem caused by fantastic noice. Their homes will depreciate in value, and this is a further cause for concern. The Minister of Transport (Mr. Hellyer) is in an awkward position, because though he has stated he would like to see an extension to the airport he has to take into account a development in the area which would provide 43,900 housing units—3,900 in the area of Etobicoke and 40,000 at Mississauga. So he has to decide whether he should extend the airport facilities at the expense of 43,900 housing units, or whether to forgo his plans. It has been stated that no decision is expected on the future of Malton until early next year. Insiders say however, there is no alternative to the plan which the minister has set forth. Nevertheless the Ontario department of municipal affairs has issued a booklet which sets out three plans. Two of them would not require further land acquisition, and the third—the one proposed by the minister—would.

It is understandable that the province, and those directly affected, would like to hear about these alternative plans, and have them examined. They would like to hear more about the effects of noise and the extent to which studies in this field have developed. They would like to know how the department proposes to take care of this tremendous noise problem. This is why the minister should hold public meetings, set out the policy of the department, and listen to the objections raised by residents in the area before making his decision. This is why 700 people assembled at Burnhamthorpe school last night to register their protest in connection with a development about which they had not been consulted, and with regard to which there has been none of the participatory democracy the government talks about. The people of this area would like to hear the minister set forth his policy at a public meeting, and listen to the objections.

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the Minister of Transport has received many representations from residents of the Mississauga area regarding the expansion of Toronto International Airport.

For the past few weeks there have been numerous meetings between officials of the Department of Transport and representatives of the province of Ontario, and municipalities involved in the area of the airport. Important considerations such as land use, noise, associated ground transportation systems and trends in the growth of major population areas are all considered at these meetings. It is the hope of the department that from these joint conferences a mutually satisfactory plan for the final stages of the airport expansion will be decided upon.

Immediate interim measures must be taken however, to alleviate the serious overcrowding of Toronto International Airport, which is operating at 135 per cent of capacity. This means the construction of an addition to the terminal facilities now at the airport. Once this addition is completed it hopefully should be able to maintain adequate terminal services until the final expansion is ready for use.

HEALTH AND WELFARE—MEDICARE—PARTICIPATION OF FEDERAL GOVERNMENT

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, this afternoon on orders of the day I put a question to the Prime Minister (Mr. Trudeau), the answer to which I had hoped would be one of reassurance. I regret it did not work out that way and I hope that tonight there may be a clarification which will be better than we got this afternoon. I asked the Prime Minister in view of disturbing reports in Winnipeg if he would assure the house and the country that it was not the intention of the federal government to get out of medicare in 1972, but rather that as far as

the federal government was concerned medicare was here to stay. In his reply the Prime Minister, after a few introductory words, said to me that the law was such that at the end of five years there would be a straight transfer of tax room. I believe I am quoting him verbatim.

This concerned me for reasons that I may have time to give in a moment, and so I put a supplementary question to him in which I asked that he give the assurance that the federal government would not get out of medicare at the end of the five year period on a unilateral basis—that it would not do so without consulting the provinces.

To my astonishment the Prime Minister's reply was that I should study the act, that I should know what was in it, and that I should realize—and I shall quote him directly—that the law says in five years we will get out of it. As hon. members are aware, I posted this question for the earliest possible late show and I am glad that that opportunity has come tonight because that is not my reading of the law and, with all respect to the Prime Minister, I think his reading is incorrect.

The section in question is section 8 of the Medical Care Act. I was very much involved in every stage of that legislation. Indeed *Hansard* records that I took part in the discussion on section 8, which provides that at roughly the end of a five year period.

> —the Government of Canada shall review the provisions of this act respecting the amount and manner of payment of the contributions payable by Canada pursuant to section 3 with a view to formulating proposals for any changes therein that appear then to be necessary or desirable—

There is more to the section. It is a long one but I have read the heart of it. The heart of it is that at the end of five years, or six months before the end of five years, there shall be a review with a view to formulating proposals for change, if they then seem necessary or desirable. But the Prime Minister said this afternoon that the hon. member should realize that the law says in five years we will get out of it.

There is an alarming difference between a provision in the law which says there shall be a review and proposals made, and the view stated this afternoon that it is automatic, that it is in the law, that the Minister of Finance (Mr. Benson) was simply operating within the law when he made his recent comments on this matter. I know that, when it comes to the interpretation of the law, courts pay no attention to what is in *Hansard*; but hon. members of this house will be interested to note that when section 8 of the act was under debate in the house on December 6, 1966, it was spoken to not by the then minister of health but by the then minister of finance, the present Secretary of State for External Affairs (Mr. Sharp). He referred to some questions I had put to him and admitted my contention that this section was not legislative in effect, that it was merely the statement of an intention. However, he went on to make it clear that the government wanted it in the act, that it was the government's intention at the end of the five years—let me quote him exactly—to—

> —put forward proposals to the provinces for a change in the method of compensation—

• (10:20 p.m.)

I submit, Mr. Speaker, that a commitment to put forward proposals to the provinces implies consultation; it implies bringing the matter before parliament; it implies consideration. But this afternoon the Prime Minister did not say that. He simply said that the hon. member should realize that the law says in five years we will get out of it.

I was concerned about section 8 when it was before the house, and it does not say that. On December 6, 1966, I asked the then minister of finance certain questions in an effort to find out from him what would happen in five years time. I draw attention to these words of the then minister of finance:

> This clause is intended to require the government—

I admit the strength of the word "require"; but what was required?

> —five years from now to make such a review and to make proposals.

Please note that two or three minutes earlier he had said, "proposals to the provinces". Now listen to this from the then finance minister:

> But it does not in any way, as far as I understand the intent of the bill, place any limitation upon the scope of the act or upon the longevity of the payments themselves.

I suggest that the Liberal members of this house were as astounded as I was to learn this afternoon the Prime Minister's interpretation of the medicare legislation is that it was guaranteed for only five years. I am not fighting with the government about this legislation. I fought too hard to get it. The country spent nearly 50 years trying to get it. We thought we got it as a permanent piece of legislation in this country. I suggest it is very alarming to hear now that at the end of five years the federal government is to get out.

It is not good enough to tell us that what the Prime Minister was saying is simply that tax room will be made for the provinces. That is a very wide open statement. Surely it is clear that once the federal government withdraws its contribution to the medicare programs in the provinces it throws the provinces back to the pre Rowell-Sirois days and prevents us from having uniform standards of hospital and medical care across this country.

I stand here tonight, not in an argumentative mood. I do not stand here haranguing the government. I stand here pleading with the Liberal government, bearing in mind the years it took to get this legislation on the books, not to let it go down the drain because of an interpretation of the act which I say is incorrect. I am prepared to stand by and accept the words in the act and in *Hansard* which say that what is to be done at the end of five years is that there will be a review and proposals if necessary, but let us not give the country the impression that at the end of five years medicare is out so far as the federal government is concerned. I am sure this is not the impression which was intended to be given. I hope there will be a proper clarification at this time.

Mr. H. E. Gray (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the question of the interpretation of the words of the Prime Minister in the light of the provisions of section 8 of the act, and the question of the interpretation of section 8 of the act in the light of the words of the Prime Minister are questions of interpretation which I do not think can be dealt with fully in an adjournment debate of this type. It seems to me there is nothing basically inconsistent with what I understand the Prime Minister to have said. May I suggest that his words could be taken as referring to a change in the amount and manner of payment under the act in lieu of the contributions specified thereby.

Let me go on to say that the national medicare act has been passed by parliament; it is the law of the land and obviously the federal government is obligated to live up to its terms. I think we should recall that the creation of a national program for medical care, through the passage of this act, was the achievement of a Liberal government. It was a Liberal government that presented the medicare law to parliament. I for one am proud to be among those who supported this measure. This measure did not come within 50 years of the Pearson Liberal government taking office; it came within less than four years. It came as a result of a Liberal government supported by members such as myself, along with others on this side of the house.

Mr. Knowles (Winnipeg North Centre): So where do we stand now?

Mr. Deputy Speaker: Pursuant to provisional standing order 39A the motion to adjourn the house is now deemed to have been adopted. Accordingly this house stands adjourned until two thirty o'clock tomorrow afternoon.

Motion agreed to and the house adjourned at 10.27 p.m.

[The following items were passed in Committee of Supply this day:]

DEPARTMENT OF SUPPLY AND SERVICES

No. 1, 5, 10, 15, 20, 30, 35.

HOUSE OF COMMONS

Tuesday, November 5, 1968

The house met at 2.30 p.m.

[*Translation*]

PRIVILEGE

MR. SPEAKER—STATEMENT ON SHORTAGE OF STAFF AND FACILITIES FOR COMMITTEE WORK

Mr. Speaker: Last Thursday, the hon. member for Abitibi (Mr. Laprise) on a question of privilege protested against the lack of personnel and facilities in committees of the house. The hon. member complained more particularly about the lack of interpreters available to those committees. Since then, in co-operation with the officials of the house, I have studied seriously the problem mentioned by the hon. member.

I wish to say that, in general, the hon. member is fully justified. All hon. members will recognize, I am sure, that the committees should sit only when the interpretation services requested by hon. members, whether they are French or English-speaking, are available for the proceedings of the committees.

During the last few days, several committees have been sitting at the same time, thus putting to a hard test the services the house can provide. Special arrangements will have to be made to prevent a recurrence of the situation about which the hon. member complained. Steps will soon be taken with a view to improving both the interpretation and the translation of the proceedings of the committees of the house. Still, I doubt that we would contribute to solving the problem by suspending the work of all the committees as was suggested rather radically by the hon. member for Abitibi in this motion.

The fact remains that the member did his colleagues a good turn by calling the attention of the house to this problem.

[*English*]

COMMITTEES OF THE HOUSE

First report of standing committee on national resources and public works—Mr. Hopkins.

Second report of standing committee on broadcasting, films and assistance to the arts—Mr. Reid.

[*Note: For text of above reports, see today's Votes and Proceedings.*]

• (2:40 p.m.)

PRIVILEGES AND ELECTIONS—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Ovide Laflamme (Montmorency) moved that the first report of the standing committee on privileges and elections, presented to the house on Thursday, October 31, 1968, be concurred in.

Motion agreed to.

HEALTH, WELFARE AND SOCIAL AFFAIRS—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Gaston Isabelle (Hull) moved that the first report of the standing committee on health, welfare and social affairs, presented to the house on Thursday, October 31, 1968, be concurred in.

Motion agreed to.

HOUSE OF COMMONS

BY-ELECTION IN NANAIMO-COWICHAN-THE ISLANDS ON FEBRUARY 10, 1969

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I should like to inform the house that by order in council No. P.C. 1968-2075 of today's date, writs will be issued for a by-election to be held to fill the vacancy in the federal constituency of Nanaimo-Cowichan-The Islands on Monday, February 10, 1969.

TRANSPORT

PROVISION FOR ESTABLISHMENT OF NEWFOUNDLAND TUNNEL AUTHORITY

Mr. Jack Marshall (Humber-St. George's-St. Barbe) moved for leave to introduce Bill No. C-125, to establish a Newfoundland tunnel authority.

Some hon. Members: Explain.

Mr. Marshall: Mr. Speaker, it is the intention of this bill to establish a Newfoundland tunnel authority with a view to promoting a

multipurpose connection between the mainland portions of the province of Newfoundland and Labrador. The objects of the authority would be to undertake all preparatory steps necessary with a view to the ultimate construction of a tunnel for the purpose of transporting goods and persons between Newfoundland and Labrador and, to the best of its endeavours, to ensure the necessary supporting facilities such as highways, connecting roads, rail lines, power lines, waterfront installations and other similar developments as ancillary works. In some respects our province has been an overlooked part of this land—

Mr. Speaker: Order, please.

Motion agreed to and bill read the first time.

[*Translation*]

DOMINION-PROVINCIAL RELATIONS

PROSPECTIVE FEDERAL WITHDRAWAL FROM JOINT SOCIAL PROGRAMS

On the orders of the day:

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

In view of the fact that he indicated yesterday that the federal government would, within the next few years, withdraw from shared-cost programs and that medicare would be handed over to the provinces, I should like to know whether he intends to adopt the same attitude with regard to the whole field of social security? Does the present government intend to hand back to the provinces their jurisdiction in this field?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, the government's position in this regard was announced two years ago. It is a policy that is continuing. In most of the fields concerning social security governed by cost-sharing programs, we have already allowed the province of Quebec to take a fiscal equivalent, and we have suggested to the other provinces to follow the same policy, in order that the province that levies taxes shall be also called upon to use and administer the amounts collected.

Once again I say that this is part of the government policy and that this has been the subject of proposals not only in 1966 but also during the federal-provincial conference of finance ministers that is now taking place.

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

[Mr. Marshall.]

Would the right hon. Prime Minister tell the house at what time his government will completely hand over the field of social welfare to all the provinces? Will it be on the occasion of the federal-provincial conference to be held here next December? Have there already been consultations with the provincial delegates to pursue the line of action of the government?

Mr. Trudeau: Mr. Speaker, while not repeating my previous answer, I could perhaps refer to the word "completely" used by the hon. member.

In our opinion, social security falls completely under provincial jurisdiction, but we should be able give a definition of what is meant by "social security". We have never thought, for example, that the federal government does not have complete jurisdiction with regard to family allowances. I therefore do not understand what the hon. member means by the word "completely". As for our general policy, I outlined it earlier.

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to ask a complementary question.

Does the right hon. Prime Minister not agree that his statements on social security are slightly contradictory?

On the one hand, the right hon. Prime Minister says that the federal government will eventually give back to the provinces their rights in the field of social legislation. On the other hand, he says that the new 2 per cent tax is a social development tax intended to help social legislation in Canada, and he takes the attitude of not paying to the provinces the amounts of money—

Mr. Speaker: Order.

Mr. Caouette: —they are requesting.

Does the right hon. Prime Minister not see a contradiction in this attitude?

Mr. Trudeau: Mr. Speaker, there is no contradiction, because in all these fields—as I would remind the hon. member—we have not passed any legislation. We have not tried to say how, for example, the joint programs should be administered by the provinces; we have been satisfied with imposing taxes and transferring the proceeds to them. That is exactly what we are doing with the 2 per cent tax. We just tell the provinces that this way of administering is not consistent with our long term policy and that, in the long run, we want, as much as possible, to request all the

other provinces to follow more or less the example of the province of Quebec, that is, collect their own taxes and administer their own programs.

It is clear that the federal government will need tax sources from other areas which come under its jurisdiction. It is for this reason, of course, that we levy taxes.

[*English*]

Mr. David Lewis (York South): I have both a supplementary and a related question. First, would the right hon. gentleman inform the house whether, in view of the difficulties which seem to have emerged during the conferences now in progress, the government is giving consideration to setting up permanent machinery to enable continual consultation between the federal and provincial governments in the fields of fiscal matters, social welfare and old age security?

Mr. Trudeau: Such machinery presently exists in the form of a tax structure committee. I believe more could be done. We stated to the federal-provincial conference in February that we were prepared to examine such questions, but this will be a matter to be debated at the federal-provincial conference. For the time being the tax structure committee exists, as it has existed for several years.

Mr. Lewis: In view of the Prime Minister's statements yesterday and earlier today that the federal government intends to vacate all the shared program fields, may I ask whether he has an alternative plan to ensure equal and national standards for Canadians in every region in these fields of social services and social security?

Mr. Trudeau: Yes. This plan was stated by the then minister of finance in 1966 at a meeting of ministers of finance of the federal government and the provinces. I repeat, it is an indication that we are prepared to withdraw in a general way from the kind of programs followed now, which is a joint program consisting largely of the federal government transferring some of the revenues of its taxation to the provinces. This is the general approach, and it was explained quite thoroughly in 1966. It is still our approach today.

I do not say quite as blandly as did the hon. member that we shall vacate every area of social security. As I told the other hon. member a few moments ago, it depends on what you mean by social security, but in general our approach to joint programs is that the taxation for and administration of them should be in the hands of the provincial governments.

Mr. Lewis: Before asking a supplementary question, Mr. Speaker, I wish to say I was not bland about it. I hadn't the right under the rules as presently constituted to express my indignation—

Mr. Speaker: Order, please. Would the hon. member ask his question.

Mr. Lewis: May I ask the right hon. gentleman to explain to the house how vacating certain tax points, 17 or whatever it may be, can be of help to poorer provinces who do not have the base to raise revenues?

Mr. Speaker: Order, please. I would think this supplementary is clearly argumentative.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my supplementary to the Prime Minister is, does this include programs devised and proposed by the federal government and imposed upon the provinces without prior consultation?

Mr. Trudeau: This question, Mr. Speaker, is surely argumentative—

Some hon. Members: Oh, oh.

Mr. Lambert (Edmonton West): What about your answer?

Mr. Speaker: In view of the Prime Minister's ruling I shall recognize the hon. member for Brandon-Souris.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I wish to direct a supplementary question to the Prime Minister. In view of the comments made by provincial finance ministers, would the Prime Minister not agree it is highly desirable to improve immediately the consultative machinery which presently exists between the federal government and the provincial governments?

Mr. Trudeau: Yes, Mr. Speaker, we are always prepared to improve the machinery. As the hon. member knows there is a great deal, in fact a tremendous amount, of federal-provincial consultation going on at all levels. There are literally hundreds of meetings every year between federal and provincial officials on all aspects of law which involve both levels of government. There are dozens of meetings at the ministerial level, and

prime ministerial meetings occur fairly frequently. This is all part of the machinery. There is also the tax structure committee, which is composed of federal and provincial officials, and the question of a secretariat, asked about a few minutes ago, which is a subject that has been discussed at federal-provincial conferences for many years.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a supplementary question to the Prime Minister. When the Prime Minister refers to the transferring of shared cost programs to the provinces is it clear that he is talking only about shared cost programs; that is, that there is no intention to transfer such programs as old age security and family allowances?

Mr. Trudeau: That is right, Mr. Speaker. That is what I indicated in answer to one of the earlier questions. I was not talking about all areas of social security. Indeed, I would not say that I was talking about all shared cost programs. There may be some I do not have in mind, but I do include those which were the subject of suggestions or propositions of the then minister of finance in 1966, and the suggestions made today and yesterday by the present Minister of Finance. They concern certain shared cost programs and not all areas of social security.

[*Later:*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. In the light of the exchange we had yesterday concerning medicare, and in view of the fact the Prime Minister was not able to be here for the late show last night, may I ask him whether he has had an opportunity to review the Medical Care Act, and would he not now agree that that act provides for a review at the end of the five years, not for an automatic change?

Mr. Trudeau: Yes, I did review the act, Mr. Speaker. I reviewed also the statements and the context in which the statements were made. It is still my reading of the act that after five years there is a presumed intention of the government that there will be in respect of medicare what is intended in respect of the other joint schemes which were discussed earlier today, a transfer to the provinces of the fiscal resources to permit them to carry on with this form of social assistance, as it is the intention to have them do in other areas where there will be a transfer of resources.

Mr. Knowles (Winnipeg North Centre): I have a supplementary question. Was it not clear that this was to be made in the form of proposals and not a *fait accompli*?

Mr. Trudeau: Yes, Mr. Speaker, it is. The act says, I believe, as it was quoted by the hon. member, that after five years there will be a review and that proposals of a specific nature will be made, the specific nature being that to which I referred, the transfer of tax room or other means. It seems to be quite clear that this act states the intention of the government as I have stated it.

Mr. Baldwin: I have a supplementary question.

Mr. Speaker: Order. I have to remind hon. members that it is somewhat irregular to be debating the interpretation of a statute at this time. I know a number of questions have been asked and because of the importance of the subject I allowed the questions to be answered. Perhaps we should not pursue the debate much further.

Mr. Baldwin: I am not going to ask for an interpretation. I should like to ask the Prime Minister whether it is the intention of the government to ensure, no matter what scheme is followed, that the provinces will be provided with the equivalent of 50 per cent of the cost of this program, pursuant to the statute?

Mr. Trudeau: It is the general approach which was presented in 1966, Mr. Speaker, that the federal government would withdraw and provide tax room and supplementary benefits of an equalization nature which would be the equivalent of the federal government's participation before withdrawal.

IMMIGRATION

REPORTED STATEMENT RESPECTING PRIVILEGES OF BRITISH IMMIGRANTS

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister. Would the Prime Minister advise the house whether the Secretary of State was announcing government policy in stating his support for the view that privileges enjoyed by what he called British immigrants should be withdrawn? In particular would the Prime Minister say whether these privileges are to be withdrawn from

immigrants to Canada from all Commonwealth countries who presently enjoy them?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I would have to look at what the Secretary of State said. I am not aware of the statement. I do not know exactly what he said. I would be prepared to look at it and decide whether it is government policy or not.

Mr. Dinsdale: As a supplementary question, inasmuch as some of these privileges are reciprocal and are offered by other Commonwealth countries, would the Prime Minister, in the course of his examination of this matter, consider the advisability of placing it on the agenda of the next Commonwealth conference with a view to abolishing these reciprocal arrangements?

Mr. Trudeau: Mr. Speaker, the agenda of the next Commonwealth conference, to take place in London in January, has already been set after a great deal of consultation with all the attending members. It probably would be too late at this date to add another item. However, I could only answer this question after having seen what the Secretary of State really said, and even then it would perhaps not give rise to putting it on the agenda in some future year. I do not really know.

[*Translation*]

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I would like to ask a supplementary question. Could the right hon. Prime Minister assure the house that if privileges are—

Mr. Speaker: Order. The member for Trois-Rivières is rising on a question of privilege.

[*English*]

Mr. J.-A. Mongrain (Trois-Rivières): On a question of privilege, Mr. Speaker, may I ask the hon. member for Brandon-Souris to tell the house when and where the Secretary of State mentioned what he was just talking about?

Mr. Speaker: Order, please. I doubt if that is a question of privilege. It is a very simple question, but the hon. member cannot ask it at this time.

Mr. Baldwin: The hon. member for Brandon-Souris isn't on the roster today, so he cannot answer questions.

[*Translation*]

Mr. Asselin: Mr. Speaker, I should like to put a supplementary question to the right hon. Prime Minister.

Can he assure us that he will ask the Secretary of State to grant immigrants of French origin the same privileges enjoyed by immigrants from the British Commonwealth?

Mr. Trudeau: In my opinion, Mr. Speaker, the hon. member is going in a direction quite contrary to that of one of his party colleagues. The question is not to take away privileges from the British or to give some to the French but rather to put all Canadians on an equal footing.

Therefore, I think that it is to that end that we should work rather than trying to extend privileges to a few preferred groups; whether they are of British or French origin, we should put all Canadians on an equal footing.

As the hon. member knows, there are still a few discriminations. The government of which I am honored to be a member abolished last year a large number of discriminations against those who have acquired Canadian citizenship, but some voting privileges still exist in the case of British subjects.

[*English*]

Mr. Robert Muir (Cape Breton-The Sydneys): With regard to the same question and with reference to the remarks allegedly made, may I ask the right hon. gentleman whether all ministers of the crown are free to express personal opinions on matters of government policy, or whether this privilege is reserved only for the Prime Minister's cronies.

Mr. Speaker: Order, please.

Mr. Dinsdale: Mr. Speaker, this question is supplementary to the question asked by the hon. member for Charlevoix. Inasmuch as the Prime Minister's additional statement on this matter indicates that the government is advanced in its thinking and policy making, could the Prime Minister give the house some indication of when the white paper on citizenship will be presented to the house so we can all share in these matters?

Mr. Trudeau: I believe the question might be asked of the Secretary of State. I am not aware of the timing on this.

INDIAN AFFAIRS

PROVINCIAL RESPONSIBILITY FOR HEALTH SERVICES

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, my question is directed to the Prime Minister. In view of the announcement by the Minister of National Health and Welfare that

the government intends to turn the Indian health services over to the provinces, as reported in today's *Globe and Mail*, will the Prime Minister say whether his colleagues who have responsibility for Indian affairs have consulted with the Indian people on this matter?

Right Hon. P.-E. Trudeau (Prime Minister): Here again I am not quite sure of the particular reference that is made to the Minister of National Health and Welfare. I am not aware of his exact declaration in this regard.

Mr. Simpson: I have a supplementary question.

Mr. Speaker: Order. The hon. member must remember that he can ask questions relating to statements made outside the house only by asking the Prime Minister whether such statements represent the policy of the government. I am not sure whether the statement to which the hon. member refers was made outside the house, in the house or in committee. If it was made in committee I do not think the question can be asked.

Mr. Simpson: Mr. Speaker, might I rephrase the question. Was the Minister of National Health and Welfare stating government policy when, as recorded in the Toronto *Globe and Mail*, he announced to the provincial finance ministers that the government intends to turn over the Indian health services to the provinces.

Mr. Trudeau: Mr. Speaker, once again I would have to see exactly what he said. There is a long term intention on the part of the government—and this is to be debated, I suppose, as part of our Indian policy—to arrive eventually at a situation where Indians will be treated like other Canadian citizens of the particular province in which they happen to be. It may have been something along this line to which the minister was referring.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, this question is a supplementary and is directed to the Prime Minister or to the Minister of Indian Affairs and Northern Development as the case may be. Is it the intention of the federal government to provide the necessary funds for the medical care of Indians?

Mr. Trudeau: Mr. Speaker, when we do embark upon this kind of transfer of responsibility we generally accompany it by an equivalent transfer of funds, either by way of fiscal points or by way of other grants. When we do it by way of fiscal points it is generally supplemented by supplementary payments which have an equalization effect.

Mr. Erik Nielsen (Yukon): Mr. Speaker, I should like to ask the Prime Minister whether the Indian people have been consulted in respect of this announced intention of the government to transfer responsibility for their care to the provincial governments.

Mr. Trudeau: Mr. Speaker, I am just stating the general orientation of the present government. We talked about this a great deal during the election. It is not the object of any precise policy as yet. As I stated earlier, the policy regarding Indians will be presented by the minister at a later date and will be subject to debate. I am sure before the minister does so he will continue the very intense consultations that he and the Minister without Portfolio have been conducting.

Mr. Simpson: Mr. Speaker, I should like to direct a further supplementary question to the Minister of Indian Affairs and Northern Development. Can he say whether the Indian people have been consulted on this matter?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, as the Prime Minister said, we consult with the Indians on all policies which concern them. At the present time, we are holding consultations with all the provinces, and this is the first time that the Canadian government has ever undertaken such consultations. The Indians will be consulted on each one of the policies which may affect them. However, as the Prime Minister said, what we want—and the Indians are in agreement—is that they should become equal citizens in Canada.

[*English*]

[*Later:*]

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Prime Minister. About two weeks ago I had a question on the order paper with regard to turning Indian health services over to the provinces, and at that time the health minister stated that if they were turned over to the provinces the provinces would be responsible for paying the costs. Today the Prime Minister stated that the provinces would be compensated. I am wondering who is stating the policy of the government.

BRITISH COLUMBIA—PUBLICATION OF NAMES OF WELFARE RECIPIENTS

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the minister of Indian affairs. Did the Indian affairs branch in British Columbia recently publish and distribute the names of Indian recipients of welfare in that province?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I know nothing about this problem; I shall look into it and report to the house tomorrow.

[*English*]

HEALTH AND WELFARE

REQUEST FOR COMMITTEE CONSIDERATION OF CIGARETTE ADVERTISING

On the orders of the day:

Mr. Barry Mather (Surrey): Mr. Speaker, I should like to bring a question to the attention of the parliamentary secretary to the Minister of National Health and Welfare in view of a statement issued today by the department to the effect that the lung cancer epidemic is worsening in Canada. The statement also suggested that most lung cancer deaths are attributable to cigarette smoking. Could this whole matter of cigarette advertising be referred to the standing committee on health and welfare?

[*Translation*]

Mr. Rosaire Gendron (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I shall take this question as notice and advise the minister accordingly.

[*English*]

SPRINGHILL, N.S.—POLLUTION FROM FIRE IN MINE DUMP

On the orders of the day:

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I have a question which should be directed to the Minister of Energy, Mines and Resources. In view of the fact that he is out of the country I will direct it to the Prime Minister. What action does the government intend to take to either eliminate or curtail a fire raging in a mine dump in the town of Springfield which now covers over 50 acres and is estimated to be 40 feet in depth? This is polluting the whole town and is a very serious matter for the 8,000 people who live there.

Right Hon. P.-E. Trudeau (Prime Minister): As the hon. member has stated, Mr. Speaker, the minister is on a mission to South America. Perhaps the question can be answered on a day which is one assigned to departmental affairs of the Department of Energy, Mines and Resources.

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, in connection with this roster business does the Prime Minister know that four ministers who should be here today are absent? I refer to the Secretary of State for External Affairs, the President of the Treasury Board, the minister for Indian affairs has just arrived; the Minister of National Health and Welfare and the Minister of Veterans Affairs. Will the Prime Minister explain how his system is working to the great advantage he suggests when ministers are not even here when they should be?

Mr. Trudeau: Mr. Speaker, I will explain again that the system does not require the physical presence of the ministers.

Mr. Fairweather: Does the government require their physical presence?

Mr. Trudeau: No, the government does not require their physical presence either.

An hon. Member: Then get rid of them.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

Mr. Trudeau: Here we go again, Mr. Speaker. On certain days certain departmental areas will be answered by the minister or by the acting minister. In looking at the names mentioned by the hon. member in his question, I should state that the President of the Treasury Board is at the federal-provincial conference now taking place.

An hon. Member: Who is the acting minister?

Mr. Trudeau: His acting minister is the Postmaster General, who will be delighted to answer any questions that come within his concern. The Minister of National Health and Welfare is also attending a federal-provincial conference, and his parliamentary secretary has just indicated that he is answering for him. The Minister of Veterans Affairs is unfortunately ill. I see that quite a few members of the opposition are apparently ill as well.

Some hon. Members: Oh, oh.

Inquiries of the Ministry

Mr. Speaker: Order, please. I wonder whether the hon. member feels that this matter should be pursued further?

Mr. Bell: Mr. Speaker, I thank the Prime Minister for answering my question. I should like to ask him whether we should conclude from his answer that this indicates a situation with a one man government, or that the ministers are afraid to stand up in this house and answer in respect of their responsibilities.

Mr. Speaker: Order, please. I take it the right hon. Prime Minister would like to reply.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. I understand the hon. member for Burnaby-Seymour would like to ask a supplementary question.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. I suggest that we might easily go on to another subject.

Mr. Ray Perrault (Burnaby-Seymour): Mr. Speaker, I should like to ask the President of the Privy Council, in view of the fact that the Leader of the Opposition and the right hon. member for Prince Albert are not in the house today, whether the minister can advise if to his knowledge a duty day roster has now been established by the official opposition.

Mr. Speaker: Order, please.

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is supplementary to the question posed by the hon. member for Cumberland-Colchester North, and I should like to direct it to the right hon. gentleman across the way. In view of the fact that the question deals with air pollution and noxious gases which are spread through the air, sometimes causing death by asphyxiation, would the Prime Minister not say whether an investigation could be carried out through the Department of Energy, Mines and Resources?

Mr. Trudeau: Yes, Mr. Speaker, I will raise the matter with the departmental officials.

FISHERIES

PURCHASE OF SALT COD FOR SHIPMENT TO BIAFRA

On the orders of the day:

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I should like to take the Prime Minister off the hook. He seems to be getting tired. We are getting a little tired as well. Is the Minister of Fisheries prepared to respond to the question which was taken as notice yesterday by his parliamentary secretary, as to whether the purchase of five million pounds of fish from the Atlantic region will result in an increased price to Atlantic fishermen?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, the federal government has taken and is now taking out of the hands of these fishermen about 20 per cent of one year's production. That is a sizeable quantity of fish. Current purchases are at market prices. I do not know what will happen to the market price in the immediate future, but I hope the government's action will have the effect of firming up the price generally and on a world wide basis.

Mr. Lundrigan: Mr. Speaker, is this fish being purchased by the Canadian government for transport to Biafra, or by the Atlantic trade?

Mr. Davis: The fish is being purchased by the Canadian government through various agencies in Newfoundland; for instance, the Newfoundland Associated Fish Exporters Limited, the Canadian Atlantic Salt Fish Exporters Association, and numerous other groups and individual firms in the trade.

DOMINION-PROVINCIAL RELATIONS

ASSISTANCE TO PROVINCES FOR POST-SECONDARY EDUCATION

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I have another question arising out of federal-provincial relations. Would the right hon. Prime Minister inform the house whether it is the government's intention to cease or change the method of providing assistance to the provinces in relation to post-secondary educational institutions such as universities?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, this is the subject of an agreement between the federal and provincial governments. It is something that was embarked upon in previous years, and it is continuing at the present.

FINANCE

INQUIRY AS TO COST OF SHORT TERM BORROWING

On the orders of the day:

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, in the absence of the Minister of Finance I would like to direct

a question to the Postmaster General as Acting President of the Treasury Board. How much did it cost the government to borrow $100 million for 11 days?

Mr. Speaker: Order, please. I think the hon. member is asking for statistical information, and I would think this type of information cannot be requested at this time.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is for the parliamentary secretary to the Secretary of State. In view of the important event in the United States today, can he advise whether the Canadian Radio-Television Commission has received complaints about the Sunday night program, "The Way It Is", dividing Americans into three classes, rioters, policemen tackling rioters, and flower children running around without petals on them?

Some hon. Members: Oh, oh.

PUBLIC SERVICE

RESPONSIBILITIES OF REGIONAL OFFICERS NOW BEING RECRUITED

On the orders of the day:

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister. According to a recent newspaper report the Prime Minister's office is busy recruiting regional officers for the maritimes, Quebec, Ontario and western Canada. Would the Prime Minister please inform the house as to the general nature of the responsibilities of these officers?

Mr. Speaker: Order, please. The question should be placed on the order paper.

EXTERNAL AFFAIRS

REPRESENTATIONS RESPECTING ADOPTION OF BIAFRAN ORPHANS

On the orders of the day:

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, my question to the Prime Minister is a follow-up of the question dealing with the return flights of the Hercules planes from Biafra. I raised this question last week. Has the Prime Minister received any representations from private agencies or the Canadian public with regard to the adoption of Biafran war orphans by Canadians?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I know of only one letter—there perhaps have been more—from one person telling me that he was interested in such adoption. I indicated that he should have referred the matter either to his local church or charity organization. When we discussed this question in the house, I indicated this would be a proper avenue for solving this problem.

Mr. Rose: A supplementary question, Mr. Speaker. Since the Prime Minister has invited private agencies such as churches to deal with matters of adoption, medical supplies and personnel, does the Prime Minister not think that government leadership might be provided in this area?

Mr. Speaker: Order, please. The question is argumentative.

ADMINISTRATION OF JUSTICE

INQUIRY AS TO LEGISLATION RESPECTING CRIMINAL RECORDS

On the orders of the day:

Mr. F. J. Bigg (Pembina): Mr. Speaker, I have a question for the Prime Minister. Has the government renounced its avowed intention of bringing in legislation to remove criminal records, as announced in the house by the Solicitor General on March 26 last?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I am told that the Solicitor General did not make such an announcement.

Mr. Bigg: A supplementary question, Mr. Speaker. I refer to *Hansard* of March 26. It is in the record.

Mr. Trudeau: Mr. Speaker, if this statement was made on March 26 it obviously was not made by the present Solicitor General. I will have to look up the record.

Mr. Erik Nielsen (Yukon): A supplementary question, Mr. Speaker, directed to the Solicitor General. Is it government policy to renounce the previously announced policy of abolishing criminal records?

Mr. Speaker: Order, please. The hon. member is asking for a statement of government policy and I would think the question as asked is not in order.

Mr. Nielsen: Surely, Mr. Speaker, the minister is responsible for answering to the house on questions concerning government policy. This is all I am asking.

Inquiries of the Ministry

Mr. Speaker: It is possible to answer questions which are accepted by the Chair as being in order. The hon. member's question is not in order.

Some hon. Members: Hear, hear.

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, following up the question asked by my seatmate, I ask the Solicitor General whether in committee he made a statement supporting the statement made by the former solicitor general with respect to vacating criminal records, and whether this is not now government policy?

Hon. G. J. McIlraith (Solicitor General): Mr. Speaker, I am glad of the opportunity to clear up this matter. In the committee dealing with the estimates of the department a question was asked about a private member's bill entitled "The expunging of criminal records", and I said that I did not think legislation in that form would be brought forward; I was not prepared to bring it forward in that form. But I went on to say that there were other methods of dealing with this subject, and I referred to the question of general pardons and the incidental striking off or limiting of the use of criminal records in connection therewith and said that I would bring before the committee at a later hearing full information as to the government's position on the matter. Regrettably, in the meantime hon. members, without having before them the committee evidence which is not yet available, have jumped to conclusions and misinterpreted what has been said. When the statement is made I would be very glad to have it widely distributed.

Mr. MacInnis (Cape Breton-East Richmond): A supplementary question, Mr. Speaker. I ask the minister whether he supports the contention outlined in a memorandum to the previous cabinet, of which he was a member, in which the then solicitor general referred to the matter in this way:

—yesterday I affixed my signature to a memorandum to my cabinet colleagues—

That was a memorandum in connection with vacating criminal records. The then solicitor general went on to say that he hoped to introduce a government bill—

Mr. Speaker: Order, please. I would think the hon. member and the minister are getting into a debate and I suggest that the matter cannot be continued much further.

Mr. MacInnis (Cape Breton-East Richmond): A supplementary question to the Prime Minister, Mr. Speaker. I would ask the Prime Minister, are we still dealing with the idiots of the past?

Mr. Trudeau: Yes, we are.

An hon. Member: How do you know where they are?

Mr. MacInnis (Cape Breton-East Richmond): We know where they are.

Mr. John Gilbert (Broadview): Mr. Speaker, on a question of privilege, I was the member who asked the Solicitor General a question in the standing committee on justice and legal affairs with regard to the expunging of criminal records. Although I did refer to the bill sponsored by a member of the government, the then hon. member for Welland, I more particularly referred to the memorandum of the then solicitor general who said he had presented a memorandum to the cabinet for consideration and action.

Mr. McIlraith: Mr. Speaker, I do not know what question is involved in that statement, but as I indicated a few moments—

Mr. Speaker: Order, please.

DOMINION-PROVINCIAL RELATIONS

FEDERAL GRANTS TO PROVINCES WITH PATIENT PARTICIPATION IN WELFARE PROGRAMS

On the orders of the day:

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is to the Prime Minister. Does the government intend to remove the discrimination in the matter of federal grants to those provinces which have patient participation in various social welfare programs?

Right Hon. P.-E. Trudeau (Prime Minister): I am sorry, Mr. Speaker; I was talking to the Solicitor General and did not get the question.

Mr. Ritchie: Does the government intend to remove the discrimination in the matter of federal grants to those provinces which have patient participation in various social welfare programs?

Mr. Trudeau: I am not aware of the discrimination that the hon. member is talking about, Mr. Speaker.

AIR CANADA

EDMONTON—COMPLAINTS RESPECTING REVISED WINTER SCHEDULE

On the orders of the day:

Mr. Steven E. Paproski (Edmonton Centre): In the absence of the Minister of Transport,

Mr. Speaker, I should like to direct this question to one of the other ministers who may take it as notice. Will the minister take up with the officials of Air Canada the very serious problem being caused in Edmonton by the revised Air Canada winter schedule, which has the effect of reducing that important metropolis to a state of semi-isolation?

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed, from Thursday, October 31, consideration of the motion (page 1677) of Hon. E. J. Benson (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the amendment thereto of Mr. Lambert (Edmonton West) (page 2262), and the amendment to the amendment of Mr. Saltsman (page 2276).

[*Translation*]

Mr. Henri Latulippe (Compton): Mr. Speaker, when the budget debate was adjourned last Thursday, I was saying that the Bank of Canada puts up about $3 billion in money and bank notes as the basis of a money supply that can be handled and seen in part.

As far as financial credit is concerned, it is made up by the figures entered in bank accounts and really made up by the bankers for a loan or a bond issue for trade, industry and public institutions. Those amounts of bank credit—financial credit, banking entries—add up now to $24 billion, in addition to the $3 billion in bank notes of the Bank of Canada, and that means eight times more bank credit than visible credit.

Visible credit, Mr. Speaker, is made up of the $3 billion in capital really created by the Bank of Canada and put in circulation through the chartered banks.

When the amendments to the Bank Act were considered by the committee on finance, trade and economic affairs, the then minister of finance of Canada (Mr. Sharp) did say that the chartered banks issued credit money in that way in considerable amounts to meet the economic needs of the country.

When I asked him if the Bank of Canada or the government could issue that credit money totalling $24 billion as well as the first $3 billion in bank notes that can be seen and handled, he answered in the affirmative but added that the present method was deemed more satisfactory, namely letting the chartered banks issue that additional credit money according to the procedures legalized by the government of 264 members elected by the people of Canada.

That very exchange between the former minister of finance and myself can be read on page 1732 of the proceedings of that committee.

When one is aware, Mr. Speaker, of the importance of currency, money, credit and capital in the administration and control of the economic life in Canada, when one is aware of the fact that the same chartered banks can issue eight times more money credit than the Bank of Canada, that is about $24 billion against $3 billion, it is easy to understand why in the current business life, the 300 chairmen and directors of the eight chartered banks in Canada are also directors of the 800 largest companies, corporations and millionaire institutions in Canada.

• (3:30 p.m.)

Mr. Speaker, in view of those facts and evidences, there are only two things we can do with the present system: either borrow from a bank and get into debt in the process, or impede progress by restricting economic activity. These are the only solutions for the government as well as for individuals.

This is why, Mr. Speaker, municipalities, school boards, federal and provincial governments are always short of money or get heavily into debt with exorbitant interest rates.

I have on hand a few examples of exorbitant interest rates requested from cities, municipalities, school boards, provincial and federal governments. Indeed, I read this in the newspaper *La Presse* of October 30, 1968.

The town of Saint-Jean sold a bond issue worth $480,000 at 7½ per cent for ten years to an investment company. However, the town only receives 96 per cent of the amount on which it pays interest, or about $460,000. The actual interest rate on this loan therefore amounts to about 8.4 per cent. In ten years, the town pays $360,000 in interest, or 75 per cent of the full amount of the $480,000 loan.

Capital	$480,000	Amount received (96%): $460,000
Interest	$360,000	
Total	$840,000	paid back in capital plus interest.

That, Mr. Speaker, is ridiculous. That is why we have no choice in Canada but to go into debt and to pass on the burden to the school boards, municipalities, provinces and even to the federal government. It will never change, because we accept these exorbitant interest rates and because we allow municipalities, school boards and provinces to be exploited in that way. That is one of the

reasons why provincial representatives are now meeting in Ottawa.

Incidentally, when provincial representatives meet here in Ottawa, it is not to discuss social, humanitarian or language problems, but to talk exclusively about money. In my opinion, the federal government should assume its responsibilities in order to be able to give the provinces the money they need for their own administration at a social and reasonable interest rate and not at the usurious rate of 8¼ per cent which the authorities of the town of Saint-Jean have just paid on $480,000 loan.

That is an abominable absurdity which is respected and accepted even by our administrators. The government cannot raise taxes any more, Mr. Speaker, because people do not have enough money to ensure a decent standard of living for their families. Houses, land and properties are sold to pay taxes. Agricultural products are difficult to sell or cannot be sold at all, just like manufacturers' products, not because they are not good, but because those who would need them have no money to buy them. They have no money to buy them because there are too many taxes, too many duties, in short, because the prices and the cost of living are too high.

Mr. Speaker: Order. I must interrupt the hon. member to tell him that the time allotted to him has unfortunately expired.

The hon. member might obtain the consent of the house to continue his remarks for a brief time. Is it agreed?

Some hon. Members: No.

Mr. Speaker: Unfortunately, there is no unanimity.

[*English*]

Mr. Alastair Gillespie (Etobicoke): Mr. Speaker, in this my first speech to the house I should like to draw your attention to the fact that Etobicoke is a new riding. It forms a large part of the old riding of York West which was represented with such distinction in this house by Mr. Robert Winters.

The lands, rivers and people of this area played an important role in the early development of our nation. Over three centuries ago it was the place for commerce, exploration and discovery. Its people looked to the future rather than to the past. They looked for and sought a future better than they had. They sought the good life for themselves and for others.

[Mr. Latulippe.]

And so it is today, Mr. Speaker. Our concern for the future must be based on the same principles; and it is in this context that I should like to talk about some of the conditions that we have to create in Canada for our future development. In particular I want to refer to creating conditions for investment, for fostering a strong Canadian point of view, and for sustaining confidence in our institutions, starting with the need to reform this house and its procedures.

The case against inflation has been made so many times and so cogently, Mr. Speaker, that I do not propose to repeat the arguments here except to draw your attention to the problems of government financing and of financing our future economic growth in the private sector.

There are some who say that full employment and inflation go hand in hand, that one cannot enjoy the benefits of the one without paying the price of the other. They would promote the idea that a little inflation is a good thing, that it is good for business, that it promotes prosperity and keeps things going. In my view, Mr. Speaker, nothing could be more dangerous. This is the most corrupting philosophy of them all—short term euphoria, like the pathetic rationalization of the addict in the early period of his addiction protesting the wisdom of his own foolishness. Over a period of 15 years a 1 per cent deterioration per year in the value of our money amounts to a discount of 15 per cent. What man is going to lend $100 now, Mr. Speaker, if he can expect in return only $85?

The funds that are used to finance government deficits and extra budgetary needs, to purchase government bonds, federal, provincial or municipal, are mostly the collective savings of millions of Canadians. They are the premiums that are paid on life insurance policies and the deductions made from the weekly pay cheque for future pension benefits. Yet there has been a tendency in many quarters to identify those who purchase bonds with the "haves", as if the beneficiaries of the borrowings were the "have nots". Surely it is time to recognize that they are one and the same person.

The point to be made is this. Federal government extra budgetary needs plus provincial and municipal government spending are going to require enormous sums each and every year. Little of this development can take place unless we show the lenders that we can control inflation. And for the same reasons, Mr. Speaker, corporate expansion

will be curtailed unless we prove to those who would finance corporate borrowings that we are serious about controlling inflation. Obviously the uninterrupted series of budgetary deficits over the past ten years does not build confidence. That is why the minister's program for a budgetary balance by the end of the next fiscal year is so important.

Federal government policy must be designed to bring about and preserve an orderly capital market. This requires not only the management of its own debt and its own budgetary requirements; it requires on the part of the federal government a full appreciation of the capital needs of the provinces and municipalities and also the needs of the private sector. Just as in the tax fields arrangements must be worked out with the provinces so, too, is it important that there be collaboration on capital needs. There is, after all, a limited supply of money.

Nor can Canada rely solely on domestic sources of capital. Indeed, in recent years Canadian borrowings abroad have averaged close to $1 billion a year. Our ability to go to the United States market or to European markets will depend on the confidence we earn abroad, on confidence in our competitive position which must not be eroded by inflation at home, on their confidence that the risks of devaluation are negligible and that we are not always just about to change the rules.

Canada cannot insulate itself from world economic conditions and there is no use pretending that we can. This is all the more reason, therefore, to examine our vulnerability in areas which we ourselves do not control.

• (3:40 p.m.)

Within the last year there were three major international developments which seriously damaged confidence in the world's monetary system and in the Canadian dollar. I refer to the devaluation of sterling, to the United States guide lines and to French efforts to force devaluation of the United States dollar in terms of gold. Fortunately, after a rather uncertain period the value of the Canadian dollar has strengthened. This is not a time for complacency. There are many uncertainties facing the world monetary system today. Let us not forget that Canada is more vulnerable than most countries because of the large part, the enormous part, proportionately four times that of the United States, that foreign trade plays in our gross national product. Let us recognize that we rely at the present time on foreign capital flows to finance our balance of payments. For these reasons we are vulnerable. For these reasons, too, I hope it will be possible to negotiate with United States authorities the removal of the upper limit of $2.6 billion on our foreign exchange reserves. We need this flexibility.

These truths, the need to establish confidence in our capital markets, the need to recognize the dangers of inflation, are central to the whole question of the future development of Canada. Yet in this area the two main opposition parties seem to me to be peculiarly inconsistent, though consistently ambiguous. They appear to have turned their backs on both monetary and fiscal measures. They seem to have discarded completely the idea that interest rates are an effective tool of monetary policy. Equally, they appear to ignore fiscal measures. They have been curiously silent on the desirability of a balanced budget. They deplore the effects of inflation but deplore even more doing anything about it. They profess, but they do not inform. Is this Progressive Conservatism at its modern best?

The N.D.P., on the other hand, seem to regard deficit spending as a way of life. They remind me of a man who would write a cheque for his favourite charity on a bank account that did not exist. Yet they talk of the eroding effects of inflation like the convivial roustabout who, anticipating his own overindulgence, lectures others on the predictable after-effects. When, for instance, has a spokesman for the New Democratic party publicly taken a position against wage increases which exceed productivity increases? When has a spokesman of the New Democratic party stated publicly that wage increases which exceed productivity increases are inflationary and therefore have to be paid for by every other wage earner in Canada—indeed by all Canadians? The N.D.P. behave as if cost-push inflation never existed.

I should like, Mr. Speaker, to turn now to the question of entrepreneurial spirit, initiative and enterprise from the Canadian point of view. As Canadians we need to concentrate on doing what we are best equipped to do. We can stimulate entrepreneurship through leadership by government, by insisting on a more efficient use of our research and development efforts and by insisting on a more selective effort. We have too often tried to cover too broad a spectrum and we have not concentrated on certain unique opportunities. Somehow or other we seem to have got caught up in a share the wealth approach to

investment in research, a something for everyone philosophy. I think the time has come to apply a very much more selective approach to research expenditures, and I think this approach should be tied directly to the idea of originality, to sponsoring Canadian originality.

We need to give our investment a Canadian slant. The character of a nation, the distinguishing quality of its people, is to be found in how it comes to terms with its environment, how it responds to the land, to the weather, to climate, to nature, to its natural resources, what it builds its houses out of, what it eats, how it works to sustain life above the subsistence level, how it plays, what it writes, sings and paints—in a word, in its capacity for originality.

We should realize that our originality has been subverted by our ability to obtain the benefits of foreign innovation. The Watkins report focuses on one aspect of this, the prevalence of the manufacturing licence, of the royalty agreement and of the engineering agreement. In return for a royalty on sales and, usually, an undertaking not to export, a Canadian company obtains the benefits of foreign research and development for its exclusive use in the Canadian market. This is the easy way; it takes the risk out of research because it requires none. In my view this particular device for obtaining foreign know-how has had a more serious effect on Canadian entrepreneurial attitudes than any other single factor. The effect has been far greater, for example, than that of foreign ownership.

At the same time we must continue to concern ourselves with the development of our resources with Canadian ownership. That is not to say that we will be able to do the job alone. We must provide an hospitable climate for foreign investors, but we must also insist that future Canadian resource development will be undertaken in partnership with Canadians.

In this connection I think it most significant that the recent study completed by York University for the Toronto Stock Exchange indicated that there would be a serious lack of Canadian equities within five years. More particularly, the demand on the part of Canadians for equities will outrun supply in a ratio of approximately two to one. This has serious and far reaching economic implications in terms of foreign ownership and balance of payments difficulties.

One does not have to argue the case for efficiency in industry, nor does one have to argue the case for efficiency with the Canadian public. How curious, Mr. Speaker, that one should have to argue the case for efficiency in this house with hon. members opposite.

At a time when man can contemplate the surface of the moon from a transmitter he has planted there, when he can watch in the comfort of his livingroom the carnage of war as it happens on the other side of the earth, when jumbo jets and supersonics will shortly revolutionize his mobility in the air and shatter his tranquility on the ground—

Mr. Winch: But you cannot even balance the budget.

Mr. Gillespie: —when man can destroy himself with the bomb and depopulate with the pill, when the sexual revolution can rock the very foundations of great religions, when the gap between the rich nations and the poor nations grows wider and when, against this background, even the most tentative steps in the direction of parliamentary reform are resisted in the name of freedom, is it any wonder that people ask how contemporary is the parliament of Canada today and, worse still, how relevant?

This sovereign body, it has been emphasized, protects our freedoms and the personal liberty of all Canadians as no other agency or institution does. Its ritual, its procedure, its symbols all emphasize that it won its freedom from executive power. Yes, Mr. Speaker, but the pace of events has quickened. What is needed now is a realization that the freedom to change is the most important freedom of all. What is needed now is the power to engineer change. I say to the opposition, do you not recognize change when you see it?

We operate as if television had never been invented, with no apparent awareness that a two-minute interview on the national network is more effective than an hour's debate. Let us recognize the importance of the electronic media. And let us be thankful that it can inform the people in a way that we cannot.

• (3:50 p.m.)

There is an enormous credibility gap in connection with the question of government efficiency, and it will remain a yawning chasm until such time as we place first priority on the efficiency of our own operations in this house. How can we criticize waste and poor productivity in the government service if we do not first of all raise the level of our own productivity? If we fail to convert this house into an effective instrument of change we shall have failed ourselves, we shall have

failed to understand democracy, we shall have failed to understand the mood of our country, we shall have failed the people of Canada.

[*Translation*]

We must, Mr. Speaker, make the most of the opportunity to build a stronger country with a greater culture by having a truly bilingual government. Both here and abroad, Canada will be recognized as a country in the lead.

[*English*]

Let us, as Canadians, welcome change for the opportunities it provides. Let us build our country with a distinctively Canadian entrepreneurial spirit.

Some hon. Members: Hear, hear.

Hon. Hugh John Flemming (Carleton-Charlotte): Mr. Speaker, before proceeding to make any remarks in connection with the budget I should like to congratulate the hon. gentleman who has just delivered his maiden speech in this chamber. I agreed so much with such a great deal of what he had to say that I thought he was perhaps sitting on the wrong side of the house.

I shall discuss the budget this afternoon under three general headings: the plight of the Canadian taxpayer, the plight of the Canadian government, and the plight of the provinces, with special emphasis on the Atlantic provinces and special attention to my own province of New Brunswick. At the outset I wish to make some comments on the minister's own speech and on the budget he presented, a budget which has been aptly referred to by my hon. friend from Edmonton West as a "chickens coming home to roost" budget. The minister mentioned in the course of his speech that economic conditions in Canada began to improve in 1961. In other words, he acknowledged that the previous government, the government led by the hon. member for Prince Albert (Mr. Diefenbaker), had brought the country out of the mess in which they found it in 1957. Here are the minister's words as reported on page 1678 of *Hansard*:

> The Canadian economy continues the expansion which began in 1961, which ran to excess in 1965 and 1966, which slowed down in adjusting for these excesses in 1967, and which has accelerated moderately again this year.

The minister did not elaborate on his reference to excesses in 1965 or 1966, nor mention that he was a member of the government of Canada in those two years. Neither did he mention the fact that the government apparently made no attempt to set its financial house in order during those two years so as to prevent those runaway excesses. He did not tell us about the sixty days of decision subsequent to the 1963 election which turned out to be sixty days of blundering. And now, after more than five years of blundering, the minister reported to this house in his speech on October 22, under the heading "Resisting Inflation":

> It makes people, and the institutions through which they invest their money, increasingly reluctant to lend money except at high interest rates and in decreasing amounts.

In other words, you cannot have as much and you have to pay more. This is the result of the excesses. This is chickens coming home to roost with a vengeance, and without mercy. The people concerned are the ordinary people who buy the necessities of life. There is no other classification for it than to call it financial stupidity.

I acknowledge I may properly be asked this question at this moment: What should the government have done? During the years 1965 and 1966 when the economists reported extraordinary economic activity, government spending should have been reduced, by elimination in some instances, by postponement in others, by phasing out in others, so as to keep the economic temperature at the right level instead of contributing to heating it up to such a level that prices skyrocketed and the cost of living soared to an unparalleled degree. That is what happened under a government of which the present Minister of Finance (Mr. Benson) was a member, a government of which the Prime Minister (Mr. Trudeau) was a member. Instead of acting as I have suggested they went on a spending spree. They competed with private business for management, for labour, for materials growing ever scarcer, for money in the financial markets.

Now, according to the Minister of Finance, the spree is over. But the after-effects are still with us. The hangover is with us and the headaches are being suffered by all the people of Canada. As I say, the Minister of Finance did not mention the cause of the present situation. For the appropriate adjective I quote the Winnipeg *Free Press*, which called it a dismal mess. Before leaving the subject of inflation—and nothing could be more important, since it accelerates and pyramids the cost of living of everyone in this country—I want the house to realize that the end is not yet. In support of this statement I

quote the words of the governor of the Bank of Canada as found on page 5 of his speech delivered in Victoria on October 17:

> Taking the whole period since, say, 1960, our record with regard to costs and prices looked relatively good by comparison with other countries, but in 1966 and 1967 costs had been rising more rapidly than those of most of our major trading partners, including the United States. Indeed, by the autumn of last year we seemed to have developed an inflation psychology in this country. I tried to draw attention to this problem in a speech in Winnipeg last November. At that time I expressed the view that it was essential to break inflationary expectations by making it clear beyond doubt that inflation would not be accepted as a way of life in Canada and that this was the most urgent task of public policy. I am still strongly of this view, and my conviction is not lessened by the fact that Canada has been fortunate enough in recent months to have experienced a very strong international demand for many of its principal exports, or by the evidence that the deterioration in our cost and price structure has not gone so far as to undermine our international competitive position.

• (4:00 p.m.)

I draw your attention, Mr. Speaker, to the words of the governor when he said he tried to draw attention to this problem in a speech at Winnipeg last November. Surely the government must have been aware of it. I think it is natural and proper to assume that the government is very conscious of the views of the governor of the Bank of Canada.

We in Canada are fortunate in having the monetary system and its guiding principles in such good hands. However, I think that money supply is an important feature of monetary policy, and in this connection it cannot be other than alarming to have the figures concerning it brought to the attention of the house. From 1958 to 1962 there was a 5.6 per cent increase in the money supply. From 1963 to 1967 there was a 9.5 per cent increase. In 1967-68 there was a 14 per cent increase, and in June, July and August, 1968, an increase of 21 per cent.

It is obvious that the rate by which the increase in money supply exceeds the increase in productivity on a properly comparable basis qualifies under the old definition of too many dollars chasing too few goods. Since increased production is one way of dealing with the problem I quote again from governor Rasminsky's speech in Victoria on October 17, because there are two ways of dealing with the problem, stop the spending or increase production. Personally I favour increasing production if this can be done. I am a positive rather than a negative person. I know it is not always possible to increase production, but here is what the governor of the Bank of Canada said in this regard:

> Now that the problems connected with maintaining a sound external financial position have eased it is possible to concentrate once again on our other economic problems. I am afraid that none of them has gone away. Prices and costs are still rising too rapidly despite the emergence of considerable unemployment and unused capacity. The growth of the economy has been well within our potential for more than two years but so long as the strong upward trend in prices and costs continues, there are real risks in taking steps to accelerate the expansion of total spending in the economy. Our recent trade performance has demonstrated that Canada is still competitive internationally but it is also true that our recent exchange problems have shown how important it is to avoid any undermining of confidence by a further extended period of poor cost and price performance.

In other words, poor productivity.

> It is plain that in addition to following sound fiscal and monetary policies we need to do everything we can to increase the efficiency of the economy and to bring about more realistic attitudes toward the size of the increase in the incomes, all forms of income, which we can really afford to pay ourselves. There has been a good deal of discussion in recent times about guide lines for increases in incomes and other aspects of incomes policy and I have made it clear that I favour action in this area. I am not going into that matter further today except to say that the basic limit for the non-inflationary increase in incomes in any economy is not set by the authorities. It is set by our actual performance. The basic limit is the increase in real output per person employed. If we ignore that limit and settle for larger increases in money incomes—

Money supply, in other words.

> —all we are doing is guaranteeing that prices will rise.

I come now to my topic which I announced at the beginning of these remarks, the plight of the taxpayer. In this connection I refer to the tables inserted in *Hansard* by the minister in the course of his budget speech, and particularly his statement relative to the 2 per cent social development tax. I immediately wish to challenge the label "social development." Since when has an additional tax become social development? Moreover, since when has it become possible to differentiate in the taxing of a country as to where the money is going to be spent? Where will it go? It simply goes into the consolidated revenue fund and then goes out to pay the bills. That is what happens to it.

The minister metaphorically puts his hands into the pockets of the people of Canada. He extracts $55 million between now and the end of next March and then he takes out another $440 million before March 31, 1970. Then he soothes the poor taxpayer by saying, "This

may hurt some. You may be obliged to go without things you and your family need. You may be obliged to borrow money from the finance companies but in the long run it will do you good because of the label on the bottle"—the label being social development. Did anyone ever hear anything more ridiculous? We have other soothing syrup labels also. We have the "just society" and we have "equal opportunity," all intended as tranquilizers.

In connection with the 2 per cent tax let us examine the table found on page 1692 of *Hansard*. A married man with two dependants, earning $100 per week and now paying roughly $7.50 per week in taxes, will have his taxes increased by $46 a year, which is roughly $1 per week or approximately 12 per cent. Let us compare this with the tax to be paid by the taxpayer with a salary of $25,000 a year, or $500 per week. His tax is increased by $120. His total tax was a little less than $8,000 and so the tax increase is roughly 1½ per cent for him. The fellow with $25,000 a year pays an increase of 1½ per cent but the fellow with $5,000 a year pays an increase of 12 per cent. That is the just society.

This, I remind the house, is in addition to the 3 per cent surtax announced by the previous minister of finance on November 30, 1967. It was supposed to be temporary. That was the adjective applied to it, Mr. Speaker, but it is still with us. I have encountered much opposition to this 2 per cent tax increase and I am sure all hon. members have. I challenge the right of the minister to label it a social development tax unless the funds are kept in a separate account and earmarked for social development purposes only.

I now wish to comment on the taxpayer's interest in the tax on life insurance companies. When we decide to impose a tax on life insurance companies, a tax that has not existed previously, does anyone within sound of my voice think for one moment that this tax will not increase the cost of doing business for the insurance companies? Does not everyone know that it is going to mean larger premiums for insurance protection that people need, particularly when their families are small and before their education has been completed? There is no question about that.

I also view with some alarm the fact that the dividend payments on an insurance policy are going to be taxed. This is really a tax on thrift. Individuals as a rule buy so-called participating life insurance policies as a means of sharing in the earnings of an insurance company by having small amounts credited to their policies. Generally speaking these have not been taxed in the past but they are going to be taxed in the future and this, I repeat, is really a tax on thrift. Some people blame this on computers but I blame the government. Computers are not making policy. They are merely mechanisms by which tax is collected.

The same principle is going to be followed in the case of interest payments by banks on savings. The banks now will be obliged to report any interest payment over $10. I believe that previously the amount was $100. Again we have a tax on thrift, and again the poor taxpayer gets it in the neck.

Insurance as a protection is a must in our society. It contributes to the improvement and strengthening of the morale of people. Encouragement to people to make provision for their own future and to provide individual protection for wife and family should be given by governments at all levels.

The minister further announced a reduction in permitted reserves of banks and trust companies, which he estimates will provide additional revenue of $45 million in 1969-70. This may properly be described as scraping the bottom of the barrel for revenue. For a long time we have bragged about our banking system. We have announced with pride that we went through the worst crisis in the world's history in the early 1930's with no bank failures. Now, in the affluent society period, we say to the banks: You do not need such large reserves any more; we are going to tax them away from you, and if you run into hard times again you may go broke. What kind of policy is this?

• (4:10 p.m.)

Before I leave the subject of the taxpayer I wish to mention an announcement by the minister that funds for the 1969-70 fiscal period will be secured by moving ahead the dates of payment of corporate income tax. This sounds great. The minister tries to convey the impression that every corporation is like International Nickel, a huge corporation with millions of dollars lying around, and that all the government has to do is move the money to the credit of the Bank of Canada. I say there are many small corporations carried on by people as family businesses. They incorporate these businesses because they want to have them continued after the death of the founder, probably by his son or sons. This happens in every part of our country. Everybody knows it. So I say that the stepping up of the payment of the corporation tax by two or three months, when in many instances the taxpayer has made no credit arrangements,

will impose a real hardship on corporations which are really family businesses. I fail to see how the minister can derive much satisfaction from stepping up the payment of this tax.

All these points add up to one fact only, that this government is making it more and more difficult for the businesses of this country to be carried on. People are becoming more and more discouraged. They may be driven out of business. They are the revenue producers for the government. In many instances 50 cents on every dollar they produce goes toward the grinding away of this great big machine here in the city of Ottawa. Yet it appears that the government is gradually killing the goose that lays the golden egg when by ordinary business foresight it could keep it alive in a healthy condition to continue contributing to the general activity of the country.

Speaking once more on behalf of the taxpayer I refer the house to the forecast of the former minister of finance on November 30, 1967, when he introduced a 3 per cent income tax surcharge, raised alcohol and tobacco taxes, speeded up corporation tax payments and forecast an $80 million deficit for the fiscal year April 1, 1968 to March 31, 1969. Less than a year later his successor rose from his seat on the front benches and made an announcement. He said that the deficit which was estimated to be $80 million will be $730 million. He plastered on a 2 per cent tax for the last three months of the fiscal year for a net deficit of $675 million. This adds up to a difference in the figures in less than a year of approximately $650 million. I submit that this suggests incompetence. It suggests an incompetent, incapable and even inept government. That is what we have.

The question might be asked: have they learned their lesson; are they going to do better? The answer appears to be no. The finance minister says that spending will be restrained, but almost in the same breath he announces that in the next year they will spend an additional $890 million. I do not propose to examine the reasons for this extra expenditure. That will come up later. But I do wish to bring to the attention of the house the fact that the general financial situation in this country is still represented as being particularly good. The present government campaigned for election last June on the basis of saying: "We have it good; just give us a majority and we will show what we can do." So they got the majority. They have shown what they can do within six months by acknowledgeing that they made an error in forecasting of more than $600 million. That is the number one accomplishment so far. Then they say that they anticipate increased expenditures next year of nearly another billion dollars. They also gave a guarantee to the investment people in New York that expenditures would not exceed $10,300 million, but if you examine the minister's figures you will see that the figure is shown as $10,780 million. This is a difference of $480 million.

I wonder what the Canadian taxpayer thinks of this. I think I know. He thinks the government is incapable of handling the business of the country. I agree with him. On the basis of performance the government should be condemned by this house. That is what the amendment and subamendment do. I suggest to the government that there is no easy or painless solution to the financial problem facing this nation. I note that a conference will be held with the provinces in December and that the finance ministers of Canada are meeting at this moment. If you read the newspapers you know what happened at the conference yesterday and what is happening today. Everybody wants the 2 per cent tax. Everybody wants the $440 million. They all want it. There is one thing I hope they will discuss at this conference, the question of the duplication of administrative agencies as between the provincial governments and the federal government, including crown corporations and the general proliferation of bureaucracy. What this country needs is less government in business and more business in government. That is what is needed. Unless this principle is established and carried out, I fear for the future of our country. The will of the people to be self-reliant is in jeopardy. The desire of our people to produce is meeting with discouragement.

At this point I think we should examine the minister's speech in the light of, to use the phrase of the Winnipeg *Free Press*, the grievous financial miscalculation and to see whether we can have any confidence in the projected figures. I ask, Mr. Speaker, that the speech of the governor of the Bank of Canada delivered at Victoria on October 17 be re-examined, because at the bottom of page 3 we find this sentence: "The exchange problem of last winter was above all a crisis in confidence". I ask this question which I bring to the attention of the house: If a lack of confidence can result in a run on the Canadian dollar, though it proved and demonstrated the strength of the dollar, then what might happen if a similar lack of confidence should

develop based on the government's record of fiscal mismanagement and miscalculation? It seems to me that a lack of confidence by the United States market or, for that matter, by any market, could have very serious effects on our whole economy.

The financial plight of the government, therefore, is a serious one. It will take courage and determination to put into effect the measures necessary to cope with it in a proper way. But an ancillary financial problem of the government of Canada is the budgetary position of the provinces. The tax structure committee, composed of the finance ministers of all the provinces and the federal minister of finance, met two years ago and concluded that the financial problems of the provinces over the next five years would be substantially greater than those of the federal government. It was considered that the federal government would be in a surplus position and the provinces would be in a deficit position. Now it seems to me that the difficulties are greatly increased when both levels are in a position of deficit. In this connection we need only read the morning paper and the report of the provincial finance ministers meeting to which I referred a moment ago.

In concluding the portion of my remarks relative to the financial plight of the government, let me take a look at what is said by experts and by papers which certainly do not favour the Conservative party and certainly are not enemies of the Liberal party. The Winnipeg *Free Press* calls the budget of the Minister of Finance dismal. The *Financial Times* of October 28, which is not unfriendly to the present administration, says that whether or not one feels the optimism about the next few years that came through in the forecast of Mr. Arthur Smith of the Economic Council, one must also agree with Professor E. P. Neufeld of the University of Toronto that the federal government's accounts are basically out of control.

• (4:20 p.m.)

Professor Neufeld claims that the trade-off point between inflation and unemployment in Canada is much higher than in the United States. He said it would take a 7 per cent unemployment rate to bring the rate of inflation down by 1 per cent. He said that because our governments are in such a tight financial box there is no way they can now cope with the problem. Any assessment of the outlook from now on should be made with this fact in mind.

Professor Neufeld also had some realistic things to say about Canada's external standing. He noted that our rate of increase in prices and wages has been very much faster than that in the United States ever since 1958. Although he does not expect a balance of payments problem next year he said:

> I would think that policy-making officials would ask themselves whether Canada can digest another period when its cost and price increases exceed those of the United States.

He then said: "Obviously Canada cannot".

The *Financial Times* of October 28 had this to say on the editorial page:

> Last week's budget displayed the Trudeau government in the guise of a bewildered little man, up to his neck in debts, who devotes all his ingenuity to juggling the due dates of payment. The diagnosis of Canada's financial problem was incoherent and sometimes self-contradictory. The prognosis was so partial and incomplete as to be incredible.

This is a pretty serious editorial from a journal friendly to the administration. It then states:

> The loss of credibility is a very serious matter, because credibility is inseparable from confidence. Without confidence, Mr. Benson can kiss goodbye to all his broad fronts and high priorities. And confidence in the government of Canada is weaker than it was a week ago.

Now, Mr. Speaker let me say a few words about regional disparity. The Atlantic provinces naturally are the area closest to my heart so far as this matter is concerned. It was my responsibility and great privilege to deal with and endeavour to improve during the years 1952 to 1960 the affairs of the province of New Brunswick. We struggled during the first portion of those years and gradually improved our position. During that time we made frequent trips to Ottawa in an attempt to bring our special situation to the attention of the then federal government. We pointed out our difficulties and our disabilities. We asked for special consideration in view of commitments dating back to confederation. We were always told that there must be uniformity of action and each province must be treated on the same basis. We were unable to accomplish anything of a special nature until after June 10, 1957 when a new federal government assumed office, and then what was impossible for the old became possible for the new. From then on it was different.

The Acting Speaker (Mr. Béchard): Order, please. I hesitate to interrupt the hon. member but according to the rules his time has expired.

Some hon. Members: Carry on.

The Acting Speaker (Mr. Béchard): Does the house give unanimous consent?

Some hon. Members: Agreed.

Mr. Flemming: Thank you, Mr. Speaker, and hon. members. I assure you I will only be a few minutes.

I said we could not accomplish anything with the old government and did not accomplish anything until we got a new government on June 10, 1957. From then on things were different. The government sponsored a bill to assist in obtaining cheaper power for our industries. On the financial side the Atlantic provinces adjustment grants came into existence.

At this point I wish to pay tribute to the prime minister of those days who was the best friend of the Atlantic provinces ever to occupy that position. I refer to the right hon. member for Prince Albert (Mr. Diefenbaker). He initiated the Atlantic provinces special adjustment grants which added $25 million per year to the revenue side of the four provincial budgets for the period 1958-62, a total of $100 million over four years. Then provision was made for an annual increase of $10 million and for $35 million annually for the next five years. A total of $175 million was approved. The division among the Atlantic provinces was on a 3-3-3-1 basis.

The second period was 1962-67. Then came the Atlantic Development Board, the legislation being finalized late in January, 1963. I do not know whether hon. members realize what special adjustment grants meant to the budgets of these small provinces, but I speak with great knowledge when I say that it was a tremendous shot in the arm.

The concept of the Atlantic Development Board was to assist in examination and research of hitherto undeveloped resources in the Atlantic provinces. No special amount of money was voted. The Liberal opposition of that day made a lot of fuss about that, but the reason was that the total resources of the country were to be available for development of any duly qualified underdeveloped resources. Subsequent to research and examination, and if approved by the board, application would be made to the government of Canada for assistance in developing the same. It is under this heading that the development of the tidal power of the Fundy tides should come.

Last evening a resolution was presented by my friend, the hon. member for Cumberland-Colchester North (Mr. Coates), asking for government consideration of this tremendous project under which it is proposed to harness the Fundy tides, the greatest in the world, which ebb and flow twice every 24 hours and have a great potential through the use of reversible turbines. This is the type of thing the Atlantic Development Board was to investigate.

We also have low grade manganese in my area around Woodstock. We also have the tin of Charlotte county, the only known deposit of tin in Canada, but apparently not rich enough to justify development without some help. That is what the Atlantic Development Board was in my opinion set up to do.

In the initial stages both these developments might need government assistance. That type of thing was the concept of the Atlantic Development Board. It was likewise the concept that the board would operate in conjunction with provincial governments and private industry. This is the type of co-operative action which has brought about the establishment of the largest food processing plant in Canada, McCain Foods, located at Florenceville in the county of Carleton. We all take pride in their accomplishments and activities which are now world wide. This has taken place although it was not supposed to take place on account of its location. This is the result of the principals being private industry which could see a vision for the future.

We have heard a report that the board may be advisory only in the future. I hope this is inaccurate, but should it be deemed to be advisable by the government I for one would be glad and prepared to co-operate with the minister of regional development in whatever he may consider to be necessary to stimulate the economy of the Atlantic region or any other region, for that matter. I have read the minister's speech delivered to the Atlantic Provinces Economic Council at Halifax on November 29. It is my suggestion that he did not emphasize private industry enough in that speech. The Atlantic Provinces Economic Council never had any public funds to any extent. This is a private industry or enterprise instrument which could be used to ensure good value for every dollar. The foundation for development is in the hands of private business and all they need is encouragement from the government.

At this point I want to express my appreciation to the Minister of Forestry and Rural Development (Mr. Marchand). I am sure the Minister of Fisheries (Mr. Davis) will

keep this same matter in mind. I refer to saving the forests of New Brunswick by participating in a spraying program next year. I should like to thank that minister in advance for his utmost consideration because this means a lot to New Brunswick and a great deal to the revenues of the federal government.

Perhaps I may take two or three minutes more. On May 18, 1967, I spoke during the debate on the throne speech. My remarks are recorded at pages 351 to 356 of *Hansard*. I especially drew the attention of the house and the then minister of energy, mines and resources and the then secretary of state for external affairs to the serious question of pollution in the upper St. John river and its tributaries which rise in the state of Maine. I urged these ministers to obtain information relative to the matter and to take action with provincial authorities and the governments of Maine and the United States.

A very serious situation developed this summer on a tributary of the St. John river, the Big Presque Isle river which rises in the state of Maine, flows through the communities of Easton, Mars Hill, and Bridgewater in Maine, then through the village of Centreville, New Brunswick, and finally empties into the St. John river below Florenceville. There is a starch factory located at Easton, Maine, which dumps its waste into this river. This summer, with low water, the pollution became so bad that fish could not live in it and the river became filled with dead fish to such an extent that people living along the river could not stand the offensive odour and were obliged to close their windows. The citizens of the village of Centreville could only live inside their houses with every door and window closed.

• (4:30 p.m.)

A committee was formed to deal, on behalf of the community, with all levels of government in an attempt to have the situation corrected, but they received so little satisfaction that they decided to dam the river at the state of Maine boundary and let the water back up across the boundary into the state of Maine. This action had a very quick and beneficial effect. Very soon they received notice that the industry causing the pollution was taking care of it in some way, and within a few days they voluntarily removed the dam they had built. My point is that law-abiding citizens should not be obliged to take the law into their own hands, as the citizens of this area were obliged to do.

I ask the ministers within sound of my voice this afternoon to give this message to the appropriate ministers so that this matter will be investigated and something done to correct it. I will not elaborate on the situation. We know that the problem concerns the state of Maine. The Saint John river is an international river and there are small rivers flowing into it. I realize that all these things are difficult, but I know the Minister of Fisheries will undertake to carry the message to his colleagues and I hope that remedial measures will be put into effect.

In concluding these remarks I wish to say that productivity is becoming more and more difficult. I have some experience in this regard. In the speech of the Minister of Finance and in any discussions I have heard on this budget, I have never heard the fact referred to that literally thousands of Canadians are making no contribution to the productivity of this country. Why are they not making any contribution? In many cases it is because the Canadian government, and often provincial governments, are making social assistance possible to such an extent that even third and fourth generations are now being affected. The result is a deterioration of productivity and a lessening of the ability of people to produce.

I say to the Prime Minister, the Minister of Finance and every member of the government who is new to his office that the people who elected them expect them to deal with this depressing and potentially disruptive situation. I think the Canadian people expect this government to replace handouts with productive jobs and to put back into Canadian life pride, independence and a desire to work and accomplish what their forefathers did, who had these qualities and worked together to make this country great.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, in rising to speak in the budget debate I do so with a great deal of regret and a certain degree of despair because of the lack of appropriate action based on the statements made by the former minister of finance and the present Minister of Finance (Mr. Benson) prior to the election campaign, during the debate on the original budget and the mini-budget last year and during the election campaign itself. We constantly heard remarks then that led us to think this government really intended to return the country to a policy of fiscal responsibility.

The Budget—Mr. R. N. Thompson

Unfortunately the budget introduced in this house on October 22 is stark evidence that Liberal governments since 1963 have insisted and continue to insist on adopting fiscal policies that can only be described as irresponsible. The credibility gap in government fiscal programming is very wide indeed and continues to widen. These are not idle words, they are not at variance with the facts, nor do they differ from comments I have made in this house in regard to the policies of Liberal governments since 1963.

The tragedy of it all is that the government does not learn from its errors. In fact, it seems determined to perpetuate them even in defiance of what its own members must know is a wrong financial policy. It is little wonder that Hon. Robert Winters, former minister of trade and commerce, said last January when announcing his candidature for the Liberal leadership that the Liberal party, the Liberal government, must return to fiscal responsibility.

Some hon. Members: Hear, hear.

Mr. Thompson (Red Deer): I would have thought the present Minister of Finance might have learned from the errors of his predecessors and from the advice of such men as the hon. Robert Winters, but apparently he has not. Government expenditure has increased to $10,780 million, bringing with it a deficit of $675 million. On December 7 last the Minister of Finance said, as recorded on page 5180 of *Hansard*, that government expenditures would be held to $10.3 billion. He said the same thing the next day. On February 13 this year the Minister of Finance said, as found on page 6663 of *Hansard*:

> Mr. Speaker, I should like to guarantee to the house that after the supplementary estimates are introduced during the year... we will hit our $10.3 billion ceiling and will balance the budget this year.

He was speaking then as minister of national revenue. What has happened in the intervening months? Is it any wonder that the Canadian people see the credibility gap growing wider and wider? Is it any wonder that financial and economic authorities in this country almost unanimously say that this budget is a tragedy for the nation?

The Secretary of State for External Affairs (Mr. Sharp), who used to be minister of finance, said the same thing. In fact, I believe the Minister of Finance was merely repeating statements that the then minister of finance had made. The then minister of finance said on November 10 last year, as recorded on page 4124 of *Hansard*, that budgetary expenditures in 1968-69 would be held to $10.3 billion. He said the same thing later that month on November 30, as found on page 4900 of *Hansard*. He also said the same thing on a number of other occasions. It is little wonder that a well known journalist, Peter Newman, who is usually rather lenient in his criticism of the government, said on budget night that not since world war II have the national accounts been in such a mess. I say to hon. members opposite and to the new members of parliament, because I am sure they share this concern, that this is just not idle talk from the opposition; these are facts.

Where do we go so far as the finances of our country are concerned? Let us look at what has happened during the last year. The deficit is now estimated at $675 million, but the government informed us last February that it had cut back the planned expenditures for the current year by $800 million. In addition, new taxes imposed in this budget are going to raise the tax load on the taxpayers of this country by $440 million. Then, the increase in postal charges will cost the Canadian people another $100 million. We must consider this because it is really a new levy as well. When these figures are added together we find that there has been an increase in expenditures of more than $2 billion. To be exact, it is $2,015 million. This is the increase in government expenditures since 1966-67. The situation can only be described as fantastic, sheer fiscal irresponsibility.

• (4:40 p.m.)

The present Minister of Finance has said that he will balance the budget next year. I cannot believe it, and I do not think anybody else can believe it. Where has the credibility of this government gone? It has been said that a good economy, in one respect, resembles a sponge. A sponge can soak up a lot of mess but when the sponge becomes saturated then the sponge itself becomes a mess. This is exactly the point this government has reached. This is why I am concerned. I am concerned about the well-being of our country. If the sponge is going to become useful again, I believe the only way will be for the mess the sponge has taken unto itself to be wrung out, and the government is unable to do this.

One of the unexpected increases in government expenditures, we were told by the Minister of Finance, was the increase in the

cost of servicing the national debt. This has gone up some $67 million more than had been expected. Why? Obviously it results from the previous government's policy of insisting on lifting the ceiling on interest rates. I can recall listening to the former minister of finance in the committee on finance and economic affairs when he said that lifting the ceiling on interest rates would not substantially increase the cost of money but would instead make more money available. Not only has the cost of servicing the national debt increased by $67 million more than had been expected, but the total cost of servicing the national debt has risen to $1.47 billion.

By the way, it is interesting to note that the national debt itself has reached the astronomical figure of $32,926,300,000. Now, the cost of servicing that debt this year, being $1.47 billion, represents an increase in interest this year of $370 million. How much farther can this kind of policy go without bankrupting the nation? In fact, the interest cost on the national debt takes 14 cents out of every tax dollar we pay. This is one-seventh of the entire 1968 budget. Is this good housekeeping? Is this responsible fiscal policy? How long can it continue?

So, Mr. Speaker, I can only say that I am concerned about where the government's financial policy is taking us. I am also concerned about the smugness and arrogance which the government shows to the public with regard to these policies. I can only go back again to what the Minister of Finance said a short time ago when he boasted that the government had cut expenditures by some $800 million. In fact, it was the present Minister of Finance who said on December 7, as reported in *Hansard*, page 5180:

> —that the estimates which were brought in amounted to $11.5 billion and we are going to keep them to $10.3 billion.

Is it any wonder that the credibility of the Minister of Finance is being questioned? During his budget speech the minister said that this was a budget to ensure a sound economic and financial base from which to move forward through a new period of balanced expansion and social progress. Can we accept such a statement in view of his record? We cannot, and so the credibility of these statements is in question. In addition, the reliability and capability of the government to supply a sound financial administration are also in question. The ultimate result of all this is a crippling tax burden which becomes more than the taxpayer can bear.

We are the most overgoverned people in the world. When the cost of municipal government, provincial government and federal government is added up the astounding total is that nearly 47 cents out of every dollar Canadians earn, regardless of how they earn it, is being taken back by government to meet the cost of government. Historically and economically we know we are fast reaching the breaking point. We placate our consciences by comparing our federal budget with the tax load imposed by countries such as Sweden and Great Britain, but we fail to mention the fact that we have three levels of government whereas they have two. We do not add up the total tax load as it must be added, because in the end there is only one taxpayer. It is the taxpayer who gets the rap in this budget.

My honourable colleague who spoke just before me mentioned the social development tax of 2 per cent. This is one of the most vicious taxes that has ever been imposed on the Canadian taxpayer because it hits the small wage earner who cannot afford it and, as the Prime Minister (Mr. Trudeau) has said, it relieves the tax load on the rich. Not having been in that fortunate or unfortunate position, perhaps I do not understand. Perhaps the Prime Minister does. It is not only the members of the opposition who are protesting. I was most interested the other day to pick up a comment by the treasurer of Saskatchewan, Mr. Stewart, who happens to belong to the same party as the Minister of Finance. According to this article he said:

> —the 2 per cent social development tax in the budget could bring about a totally different relationship between federal and provincial governments and "could work a real hardship on the provinces."
>
> He said the tax will not be shared with the provinces and will merely aggravate a growing inequity between the provinces' constitutional responsibilities and their revenue resources.
>
> "The federal tax structure committee two years ago pointed out this condition to Ottawa," Mr. Stewart said. "Had the federal government shown more fiscal responsibility then, and resisted the temptation to introduce new programs, funds would have been available to alleviate this imbalance."

I wonder what the same Mr. Stewart is saying today in the conference of finance ministers about some of the other policies of the government such as the opting out of shared programs as announced by the Prime Minister only yesterday? I am sure that his feeling on the matter is shared by every other provincial treasurer, just as it is by every thoughtful member of this house if he considers the tax loan imposed in this country.

There is another interesting fact which relates to the government bonds being offered at the present time. The government has boasted a great deal about the current issue of government bonds. We hear advertising on the news media and read advertisements in the newspapers every day about what a profitable investment these government bonds are. They yield an average interest of 6¾ per cent for a period of 14 years. It is staggering if you understand just what this means. It means that those who buy this new series of Canada savings bonds will receive two and a half times their original investment in 14 years. The government's goal is $1 billion for the sale of these savings bonds. The advertisements point out they are a good investment. I am concerned about the taxpayer who is the one who is going to have to pay the interest on these bonds. A $1,000 bond will bring an investor $2,500 in 14 years. The federal government never pays its debts. What it does is to borrow more money to pay off existing debts, thus incurring new debts at higher rates of interest.

• (4:50 p.m.)

The reason the government is selling $1 billion worth of Canada savings bonds at this time is simply that it must pay off previous issues which are now falling due. In 14 years' time the investor who has turned his $1,000 investment into $2,500 will cost the taxpayers of this country $1,500. If he reinvests that money, do you know what will happen to our young people who are just starting to work today? In 28 years they will have to pay $6,250 for the original $1,000 investment. That is the tragedy of this kind of financial policy. How long can it continue? We do not know, but we are concerned about it, and this is why it is necessary to speak in this vein.

We are all very much aware that in Ottawa today a conference is being held of federal-provincial finance ministers. I have stated that the impact of this budget on the individual taxpayer will be very serious indeed. However, what I am even more fearful about is the relationship between the federal and provincial governments. I believe that this budget will bring about open warfare between the provincial governments and the federal government. This can lead us nowhere except into a tax jungle from which it will be very difficult to find our way out. Not only is this going to happen but the whole process of confederation will be weakened as a result of the bitterness that will be generated between these two levels of government in this country.

[Mr. Thompson (Red Deer).]

Yesterday the federal government blandly announced that it will get out of shared cost programs five years from now. But it is the federal government that fashioned these programs. Take, for example, medicare. Not only did the federal government design the medicare program, which today is being held out by the federal government on a take it or leave it basis, but it did so in the face of opposition from practically every provincial government except Saskatchewan, and it is quite understandable why the province of Saskatchewan was in no position to oppose it.

Most of the shared cost programs have been the product of federal government policy. Most of them have been forced upon the provinces in the same way that medicare is being forced on the provinces today. The province of Alberta has a reasonably satisfactory health program and so has the province of Ontario. They are not perfect but they are improving each year as the provinces gain experience with their plans. These programs are aimed at helping those who are unable to help themselves. Both programs have as their objective helping those who need help, which after all is the responsibility of government. But this objective should not be carried to the extent that programs and policies are imposed upon people who are not in need of them and who in most cases do not want them. Provincial governments which have not yet participated in medicare are being forced, politics being what they are, to participate. The federal government now states that it is going to opt out of these programs in five years. Not only is the medicare program involved but other shared cost programs as well.

What disturbs me about the whole federal-provincial relationship, this so-called co-operative federalism that we have heard so much about during the last five years, is that the federal government, behind closed doors, works out a policy about which it does not even inform its own backbenchers. That policy is proposed to successive provincial conferences, again behind closed doors, and then the federal government, because of the very nature and method of its approach, forces the provincial governments to go along with that policy, in many cases even before the representatives of the provincial governments can return home and consult their own legislative assemblies. Now this founder of the "just society" has stated the government will opt out of such programs in five years.

Yesterday the Prime Minister (Mr. Trudeau) said that his announcement was but a clear statement of what was previous government policy in 1966. It might have been previous stated policy in 1966, but the provinces did not agree with that policy. The provinces expressed very strong objection to the policies that the federal government was enacting. Their concern about the situation is simply this: Where are they going to get the required money?

According to the budget the medicare program is estimated to cost in the coming year $335 million. What consideration has been given to the provinces which are supposed to collect a like amount of $335 million? And medicare costs are just beginning. It seems to me that here again is sheer irresponsibility in the matter of federal policy. This kind of policy will make it increasingly difficult for provincial governments to carry out their legitimate responsibilities—after all, there is only one taxpayer—and besides it will weaken the whole process of federalism in this country.

And so, Mr. Speaker, I am concerned, as I think we all are. If many of the backbenchers across the way were able to express their opinions I think they would say so too. This budget strikes at something that is of great importance to the whole process of government, to our whole taxation structure, in fact, to the whole financial situation facing the country.

We realize that government must increase in size because governments have increasing responsibility in the affairs of our nation and our people. But we cannot allow government to increase to the extent that it destroys individual rights. We cannot allow it to increase so that it destroys the whole base of taxation and financial policy as it relates to the provinces. We cannot let it increase in size to the extent that the tax load becomes too heavy for the taxpayer to bear. We must hold back government spending. We must call a halt to present inflationary policies—and I mean call a halt, Mr. Speaker, not just talk about it and then turn round and do the opposite—in order to allow the economy to grow so that it will be able to bear the increased load that is being placed upon it.

At the same time that we call a halt to present policies we must be searching for new policies which will permit of fiscal results different from the present ones. Today we are actually taking away the very incentive that is required in our business community, in the private sector of the economy. We need to give greater encouragement to individual Canadians engaged in business and in industry in order to help them establish and grow, to help them provide employment and increase productivity, instead of penalizing them for doing this. This is the only way we will have a healthy, Canadian-owned business economy.

Unfortunately, Mr. Speaker, we do not encourage individual enterprise, we penalize it. Not only do we do this but we destroy the confidence of our own people to invest their savings in the economy. The savings of the Canadian people during the past year have been estimated to amount to approximately $1,300 million. In fact, the amount of savings in the chartered banks and in the savings banks in Canada is over $10 billion. However, from this amount of $1,300 million $600 million will be transferred abroad for the purchase of securities on the U.S. market, mainly on the New York and Chicago stock exchanges. All too often these investments are in questionable stocks. Do Canadians realize this, Mr. Speaker? I do not think they do.

• (5:00 p.m.)

We desperately need capital so that our economy can grow. For five years we have talked about setting up a Canadian development corporation; yet we continue to ship out increasingly large amounts of Canadian savings. If such large amounts are available to be exported from this country why have the Laura Secord candy company, MacIntyre mines, various petroleum companies and the potash industry of Saskatchewan been taken over by United States capital during the last year or two? For about $400 million Canadians sold $15 billion worth of potash reserves because it was said we did not have capital. Yet we ship out of the country far more capital than would be necessary to hold these companies under Canadian ownership.

Someone has suggested that our tax dollars should be used to subsidize new development in industries which are usually foreign owned. I doubt that this is a sound policy. Certainly the government ought to do everything it can to restore the confidence of Canadians in their own economy so that they may invest their own savings in Canadian resources development and industry.

It has been said that there is not enough Canadian money to finance Canadian development. That is not true. Canadians are conservative investors; we are a nation of bond buyers and insurance investors. Yet Canadians do not put their money where I submit they

ought to put it. I am convinced that the reason is that Canadian investors who put out their life savings have insufficient confidence that they are making a sound and reasonable investment. As a result they invest across the border to the south.

Repeatedly it is said that our industries are being taken over by United States capital, while at the same time our savings go to the United States. Let us be frank and recognize that the United States has done something that we ourselves refuse to do. Let us understand too that we cannot criticize others unless we put our own house in order. Until then we ought to go easy about condemning the other fellow.

Let me illustrate my point. The other day I talked with a senior executive of a major company. He needed the services of a middle class executive but could not find anyone in Canada experienced for the particular job. An application came in from the United States from a man who earned $30,000. He was qualified for the job and wanted to come here. He did not ask for an increase in salary; he merely wanted in his new job the same amount of take-home pay he had before. The executive told me that in order to give the man from the United States the take-home pay he had enjoyed it would be necessary to pay him $57,000 a year here.

It is said by some across the way that our taxing policies are reasonable and responsible. I fail to understand that assertion. We are suffering from a credibility gap. The present Minister of Finance and the former minister have both told us that by using our available computer systems and our technical knowledge it is possible to project the growth needs of our economy as well as the tax patterns of this country for five years ahead, to 1971 or 1972. Well, Mr. Speaker, something went wrong with the computer system because the Minister of Finance has been grossly inconsistent.

I suggest that this country needs a new breed of pioneer entrepreneurs, new managerial developers, who will create confidence and provide the know-how to develop our industries through Canadian investment. We lack vision. We are certainly in a grave financial crisis and I am deeply concerned about it. There seems to be no alternative to our presently developing financial pattern.

Mr. Deputy Speaker: Order, please. I am sorry to interrupt the hon. member but his time has expired.

[Mr. Thompson (Red Deer).]

Some hon. Members: Continue.

Mr. Deputy Speaker: Is that agreed?

Some hon. Members: Agreed.

[*Translation*]

Mr. Marcel Roy (Laval): Mr. Speaker, I wonder whether the popularity of the Ralliement Créditiste and its financial theory are not on the wane, for I notice that none of the colleagues of the member are now in the house.

[*English*]

Mr. Thompson (Red Deer): May I inform the new member of the house who has just spoken that if he were to go to *Hansard* for the last six years and read the speeches I have made during budget debates he would find that what I said previously is absolutely consistent with everything I have said today.

I have just realized that I did not hear the first part of the hon. member's remarks and thus did not understand his intent. I apologize to the hon. member.

May I say before I sit down that in the last few days I have realized that one group in our population will suffer extreme hardship as the result of the government's taxing policies. If the government's taxing policies had been directed to relieving areas of genuine need in the economy I think we might have had a different budget. I am now speaking of those who are more than 70 years old. Over one million Canadians are in this age group. About 400,000 of these people do not pay any taxes. In other words their income is so low that they depend on the old age pension and the supplementary allowance. About 600,000 of this age group earn between $2,500 and $3,000 a year. If the government were to adjust its tax exemptions to enable these citizens to earn $3,000 a year without tax the cost would be very little. In this way the living standards of senior citizens who can no longer do productive work would be raised—and a genuine need would be met. The 2 per cent tax will hit these 600,000 people and take away some of the little they already have.

• (5:10 p.m.)

Time does not permit me to go on and give other illustrations. Not only do we need policies which will encourage incentive, the use of our own dollars and the development of our own resources along the broadest lines, not only do we need financial policies which will hold the expenditures of government steady until our productivity increases to the

extent necessary to carry the extra load, but we must also devise ways by which to ease the increasing pressures of government so far as the tax resource dollar is concerned. We cannot afford to aggravate further the situation which is developing between the federal government and the provincial governments. The outcome of the tax conference now being held, the outcome of the policies announced in the budget and since, will simply be that contention and dissatisfaction between the two major levels of government will increase, and this at a time when we have probably made some gains in the direction of greater understanding of the need for constitutional reform.

We must also adjust the tax load so as to relieve some of the pressure points which exist for certain segments of our people such as the senior age groups. Again, the credibility gap grows. Present financial policies are inadequate. The responsible policies which we expect are not there. The picture is not hopeful and I can only trust the government will wake up before it is too late.

[*Translation*]

Mr. Guy LeBlanc (Rimouski): Mr. Speaker, too often we are inclined to forget that in spite of everything, the Canadian economy is one of the most dynamic in the world. Our living standard is quite high compared to what other people enjoy throughout the world. We owe this standard of living, on the one hand, to the initiative and work of the Canadian people and, on the other hand, to the management of the federal government and to the economic measures it has taken in the last six years or so.

I believe that even now we have all the elements necessary to continued vigorous and sound economic progress. Following the financial statement of the hon. Minister of Finance (Mr. Benson), we see that the new Liberal government is taking the means, at times with the required firmness, to promote actively the stability and growth of our economy, by planning the overall and full development, for the short and the long term, of our natural and industrial resources, and especially our human resources.

Economic, financial and fiscal problems are becoming more and more complex; now, no one would dream that so complex an economy could progress and improve without encountering difficult problems. There is no easy solution to complex problems. Faithful to its program, faithful also to the principles stated in the speech from the throne at the beginning of this session, the present government wishes sincerely and strongly to study and solve those problems and to use its authority, its power and the knowledge of its members so that our fellow-citizens can enjoy true and increased freedom which will enable them to demonstrate efficiently their initiative while trying to achieve sound economic objectives.

Some hon. Members: Hear, hear.

Mr. LeBlanc (Rimouski): Yes, Mr. Speaker, the Canadian society is dynamic and prosperous.

However, social disparities do exist but through the Minister of Forestry and Rural Development (Mr. Marchand) who will soon become, if I am not mistaken, the Minister of Regional Development, the government has taken serious steps, in co-operation with the provinces, to eliminate such disparities. Within five years or less, we will certainly be in a position to note the results of certain programs, for example the five-year plan which was the object of the co-operative agreement to carry out the development program in the lower St. Lawrence area, the Gaspé peninsula and the Îles-de-la-Madeleine signed in Rimouski on May 26, 1968 by the Minister of Forestry and Rural Development at that time (Mr. Sauvé) and Quebec Premier (Mr. Johnson).

By the way, allow me to point out that we hope that the officials of the various federal departments will get used to that program or will continue getting acquainted with it, in order to facilitate the interdepartmental co-operation one one hand and, on the other, the federal-provincial co-operation in the best interests of our fellow-citizens living in that pilot area.

The Canadian society is concerned about the fate of the underprivileged, the oppressed, the sick, the disabled and the poor all over the world. All honourable members, to whatever political party they belong, are deeply concerned about the welfare of the Canadian people and our brothers in the world.

I have in mind now legislation such as the Canada pension plan, the Canada assistance plan, the supplement to the old age security pension, the youth allowances, the loans to students of which, unfortunately, the Quebec students could not take advantage.

• (5:20 p.m.)

I am also thinking of the increasingly substantial assistance given to universities,

regional development—to which I referred a few moments ago—manpower mobility and retraining, incentives to industry and, in spite of the criticisms of the member who just spoke before me, I shall mention medical care, as well as numerous beneficial legislation we have adopted here.

Let us not forget either, since they are evidence and symbols of the progressive development of our country, legislation which has given us our national flag, the commemoration of the centennial of confederation, Montreal Expo and the acknowledgment of the rights and privileges of the groups which have built Canada and are still living together on Canadian soil.

All the achievements of the past years have been carried out by a Liberal government headed by a prime minister who is no longer in this house, by a prime minister who was our pride both outside and inside the country.

Some hon. Members: Hear, hear.

Mr. LeBlanc (Rimouski): Mr. Speaker, we now extend our confidence to our new Prime Minister (Mr. Trudeau) who has shown to date, whatever some may say, great mastery, a brilliant intelligence and a remarkable efficiency.

With respect to budget stability, I believe he is adhering to the program that had been brought before the people of Canada.

We were told hardly a few months ago that Canada apparently was in the midst of an economic upsurge and that therefore the government was considering a balanced budget by cutting down somewhat public expenditures.

As we can see in the budget speech, the present economic situation, the intermediate and short term outlook, the present financial situation, the taxation outlook for 1969-70, the control of public expenses, discussions with the provinces—as are taking place at present—the pattern of political economy, the battle against inflation, the present taxation policy, taxation recommendations, estate tax and gift tax, the case of life insurance companies, financial institution reserves and all other measures are facets of our financial problem which were faced squarely, with full knowledge of the facts and, in the light of the contemplated goal, financial and budgetary stability in this country.

We think it is a responsible and honest financial statement, outlining all the aspects of the problem.

[Mr. LeBlanc (Rimouski).]

In the present state of our financial obligations and in view of the financial and economic development not only in Canada, but as we see it, throughout the world, an honest, just and sincere Minister of Finance must show great courage. Such courage is shown I think at present by the Minister of Finance (Mr. Benson). In order to prevent any further inflation, the minister had to plan a very substantial increase in revenue for the next fiscal year.

However, the first elements of a fiscal reform are given in that statement. In spite of it all, it does seem that the taxation system is more equitable. The reforms will affect mainly the corporate tax, the income tax and their allotment between the federal and provincial governments.

A stable budget should enable us to strengthen and develop our economy. However, under the item: expenditures, it should not be forgotten that the federal government is not solely responsible; if we want Canada to progress toward an ever more vigorous economy, the provincial and municipal governments must also assume their share of responsibilities. Together, we must strive to decrease the tax rates and expand the tax basis, that is the wealth of Canada.

We are told that the time has come to be frank. There is no magic formula to guarantee our evolution, to achieve our ideal of justice in Canada; we cannot expect the path to be strewn with flowers. We must choose the way of realistic, functional and efficient solutions and so, that way will surely lead us to a well-organized environment for the greater good of those of our citizens who will inhabit it.

[*English*]

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, for me this is a frightening budget. It is frightening because the people who prepared it seem to have lost their ability to see reality. From this budget it appears as though they see only a part of the Canadian people, the affluent part, the part that is best able to struggle for itself. It appears that they have closed their eyes, minds and hearts to the existence of the others.

Fortunately, while a Liberal government might have wanted to do such a thing during the last few years it was impossible for it to do so because it had a very narrow majority. Now members of the government do not have to care. They have a big majority, and this budget shows that so far as the masses of the

ordinary people of this country are concerned they just do not care.

References have been made to the modern technology with which we live. I have a feeling that we are up in a great DC-9 or DC-8 airplane and that somehow the pilot's instruments are not working and he has lost contact with the ground. We are headed for no place in particular except in the general direction of the great peaks of the Rocky mountains, and this in rough weather. The pilot is nonchalantly saying to us that our destiny is the just society, but all of us have the very uncomfortable feeling that we are heading for the big peaks and that it is only a short ride to Kingdom Come.

This may be unduly pessimistic. In spite of the way the government has constructed this budget I would hope there are members in all sections of this house who have the right feeling for the large masses, the large majority of the Canadian people who are out there and who are waiting. They are still hoping for something from this government, but for the large majority of the Canadian people in the lower income groups there is nothing in this budget.

I feel sure that there are members in the government ranks who know history, who know that you just cannot get away with legislating for only a section of the people. Daily I pass the west door in the central arch of the parliament buildings and see the words carved in stone, "Where there is no vision the people perish." I believe this to be profoundly true. And I believe this is a budget without vision, that does not look into the future.

Failure to reckon with the well-being of all the Canadian people is simply going to bring trouble for this country before very long. In my opinion the blindness in this budget, the lack of vision, is compounded by the announcements we have heard during the last couple of days. People in this country who have watched the long, slow struggle to try to get Canadian standards of well-being for the whole population from coast to coast must feel pretty disturbed and disconsolate at what they have heard. It has taken us 50 years to get into medicare. Now we hear that within the next five years the whole federal structure of medicare will be broken. It has taken many, many years to bring the tissue of social security legislation to the point where we have it now, a point that is still not too favourable compared with some enlightened countries, in particular some of the European countries. Now we are told that this government intends to get out of a number of these shared programs. The only analogy I can think of is the very pious handwashing of Pontius Pilate on the occasion when he indicated he was having no more to do with a certain matter, that it was not his business anyway and that other people should carry on and do as they saw fit.

• (5:30 p.m.)

In my view it is a very strange thing to see this Prime Minister doing what he is doing at the present time. I believe he has been doing an excellent thing in trying to get linguistic and cultural equality for Canadians of the two large language groups in this country. I gave him full credit for this when I spoke in the house not long ago. I believe very profoundly that no matter what may be best for the people of Canada in the various parts of this country the Prime Minister is on the right track when he is working toward equality of opportunity and a feeling of being comfortable in one's language and one's culture in any part of the country.

But I must say that I find it very strange to see him then strike out blindly at those pieces of legislation which have gone some way toward giving Canadians equality in respect of their well-being regardless of which part of the country they live in. This is what he is destroying bit by bit. Even if the provinces were evenly matched in their ability to provide standards of social security for their people, there would not be that over-all Canada-wide standard which should enable our people, with the mobility we have, to move about with a feeling of being at home in a social security way in every part of the country. But our provinces are not equal. What this government is doing is saying to them that they must get out and sink or swim with their own taxes. It is saying that they will be given some handouts, of course, but the bulk of their taxes that are necessary for their social security programs they must raise themselves. I suggest that this is not the mark of a statesman. I regret to see one who stands first in one field so lacking in another.

[*Translation*]

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker, would the hon. member permit me a question?

Mrs. MacInnis (Vancouver-Kingsway): I need all the time I am allowed, I think, Mr. Speaker, but when I have finished, I shall be happy to answer the hon. member's question.

[*English*]

The people put this government in power because they were in trouble and needed desperately to believe in Santa Claus. This is a streamlined version in modern dress of Santa Claus with Superman under the hood. The problems which exist for the people across this country, problems of unemployment, training, rising prices, housing, social security and so on, all boil down to one burning problem: how to get enough income to live on in the world of 1968. Please do not think that the majority of the Canadian people are waiting for government handouts to achieve the desired end. One speaker said exactly what I believe. I believe the majority of the Canadian people want productive work. They do not want handouts. A great many of the people who are receiving handouts now would never have been put in that position if governments in the past had been able to provide them with productive work. These people should be taken off handouts at the earliest possible moment and given productive work.

I am not talking about the few extremely poor people who are located in unfortunate pockets of poverty across Canada. No; I am talking in the language of the Economic Council of Canada which, in its review of September, 1968, said:

> The statement that at least one Canadian in every five suffers from poverty does not appear to be a wild exaggeration. It is almost certainly close enough to the truth to be taken as one of the most serious challenges facing economic and social policy over the next few years.

Four million people, Mr. Speaker, is a lot of Canadians—four million people suffering from poverty. These are not just those whom we consider as the destitute and no-good. This budget, in my opinion, is a continuation of the policy which this government began from its inception. It is the same policy that cancelled the winter works program; there is a production stoppage right there. It is the policy by which we will not have any increase in family allowances, the policy that there will be no increase in the basic old age security pension, the policy that there will be no legislation this year to increase the allowances of veterans and their dependants, the policy that keeps the poor hardpressed superannuates of the public service hanging on desperately in the hope that those of them who built up their pensions in the years when a dollar was worth a dollar will now be able to get enough to live on in these days of inflation. It is the same policy all along the line.

[Mrs. MacInnis (Vancouver-Kingsway).]

It is true that there is a segment of the Canadian people living in affluence. These people might like the budget but their satisfaction will be very restricted because their time for enjoyment cannot be long with this sort of thing. I believe it was Abraham Lincoln who said that a nation cannot long survive if half its people are slaves and half are free. Neither can a nation live long if half its people live in affluence and half in poverty.

I feel that this budget fails the majority of Canadians on two counts. First, it places the new tax burdens unfairly on the shoulders of moderate and low income citizens and allows the wealthy to get away with a relatively much lighter load. I need not go into the ways in which this has been done. We have heard these outlined since this debate began. Second, it outlines no new policies for stepping up production and the jobs and wages that go with production nor does it propose any way of providing more income for pensioners and others who have no means of earning for themselves.

What do I think should have been in the budget? I think one is bound to give one's own ideas if one is to criticize this budget. In the time that one has one can give only a very brief outline and cannot make an in-depth study. First, I believe there should have been definite plans for economic growth and development. It is all very well, as some members have done this afternoon, to get up and talk about how marvelous Canada's productive capacity is and how great our attainments in production and so on are. I would go back to the figures quoted by my colleague from Waterloo the other day when he pointed out that of the 14 western nations in O.E.C.D., Canada's production output per man is the lowest of all. I do not think that is a record of which we should be proud. Furthermore, it frightens me, because if we cannot get better production than this we will not be able to keep these social security programs whether they are under federal, provincial or any other auspices.

I am not one of those people who think that all the social welfare schemes are satisfactory. But I believe that at the present time the taxpayers are squeezed dry because there are not enough taxpayers with enough income to pay properly and the little fellows are being squeezed out of proportion to those on higher incomes. I believe what we need badly are productive jobs.

You may ask, how are we going to do this? My memory goes back to world war II. I

have heard many objections to war, but never have I heard it said that one should not be engaged in war because it is too expensive. When world war II came the decision was made in this country that the war had to be won. The government of the day—it was a Liberal government at that time too—took the decision that we must win the war and that we must have the necessary massive production to make total war. That government realized private business would never be able to do the job alone. Private business has never been able to produce enough to go around in this country. The government then took a hand and set up crown corporations and enterprises under public direction and got the war effort going. That was necessary in order to do our full part during world was II.

• (5:40 p.m.)

Let me suggest that if this government is serious about winning the war on poverty at the present time and equally serious about helping those people who are trying to win their particular wars against insecurity, the government should give them the jobs and incomes necessary to succeed. I hope the government will make that kind of decision. I know this is amusing to the cabinet ministers over there. Perhaps I should put that in the singular as they are not in the plural, at the moment. Perhaps it is singularly amusing to him that I should suggest a war effort now. But we need a war effort in peacetime if we are going to obtain the kind of production we must have to support a proper tax base and those services required by the people of this country.

No one suggests that we should get rid of so-called free enterprise. It is not free and it is not enterprising enough. Free enterprise alone cannot provide plenty. So far it has been only able to produce scarcity. The government should adopt programs to extend production.

Second, the income tax exemption should have been increased by this budget so as to give the low income groups an opportunity to pay their own way and avoid falling into the pit of poverty. It has been suggested by this party before that the income tax exemption should be raised to $2,000 for single people and $4,000 for a married couple, with an appropriate allowance for each child.

Third there should have been something in this budget about pensions and allowances such as family allowances, old age security pensions, veterans allowances and pensions to retired public servants. These should be brought into line with two things, today's cost of living and today's standard of living. Pensions in this country have never been set in accordance with what it costs to live on anybody's standard of living. They have been set in accordance with political pressures. Governments of the day have always figured that they should set pensions as low as they could possibly get away with and still remain on the government benches.

For the first time in history we should examine and overhaul these pensions and allowances. We should determine how much it costs people to live at a reasonable and modest standard of living and set these pensions on that basis. The economic council has pointed out that poverty is relative. Poverty of a century ago is not poverty today. People today might have something which could have been considered affluence a century ago but today they are on a different level because they observe other people who enjoy modern affluence. The standards of pensions and allowances today must be related to what it costs to live moderately or even modestly.

Let me refer for a moment to the so-called social development tax. Do you know why the government calls it a social development tax? I can only find one reason. It is called a social development tax in order to keep this money out of the hands of the provinces. If the government had really meant this to be a social development tax the budget would have contained some indication of social development programs. There is not one single snip of a program for social development in this budget.

There was an indication yesterday and today of what I might term social going-backwardness. This is taking place in a big way and is in prospect for the next few years. I am not at all sure that if this government were not protected by immunities of various kinds—a big majority and perhaps a parliamentary immunity—it could not be sued for fraud for calling this a social development tax. It is no such thing. It is a tax with a fence around it to keep it out of the hands of the provinces. By the looks of things we will not get any social development as a result of this tax.

My next point is, I think, point number four. I do not like to criticize the government without some suggestion as to what should be done alternatively. Let me make another suggestion now. I am sure this will cause great amusement. It always has caused

amusement in the past. If we are going to protect the homes in this country, until such time as we have decent allowances for families, we should make available to mothers who make a full time career of raising their children a decent allowance to enable them to do so. France has been able to do this.

Some hon. Members: Hear, hear.

Mrs. MacInnis (Vancouver-Kingsway): I am glad there are one or two people who applaud. France has found this to be one way of protecting homes there. We badly need protection for our Canadian homes. If a woman could go out and earn another pay cheque to enable the family to live with a moderate standard of living but deliberately stays at home and puts her effort and energy into raising fine citizens from the standpoint of physical, mental and moral development, then in my opinion she deserves a salary as much as the woman who goes out and sells soap and shoes and sealing wax at some store or other establishment. I think the time is ripe for this.

My next point is number five. It is my last point, my royal george. This is a long range plan. While we are overhauling these pensions and giving these allowances we should realize that all these things are like a crazy patchwork quilt which should be placed in the museums with the lanterns, side boots, ox carts and those other things that belong to the 19th century. We do not need these things now.

If I had a little more faith in the Prime Minister than I have I might hope that he had one more card up his sleeve. I might hope he would clear the ground by stating that the government is getting out of medicare and other cost sharing programs in order that it can adopt a real program whereby the federal government could control the finances and know whether it was building up deficits. I would hope the Prime Minister could say that he is clearing away this patchwork quilt legislation in order that we here in Ottawa can build a good guaranteed annual income program for Canadians.

Perhaps I am doing the Prime Minister an injustice by thinking that he does not have this in mind. I hope he will come here tomorrow afternoon and tell us this is what he had in mind all the time. Since the election last June it has become fashionable to declare that such a thing as a guaranteed annual income is impossible. I have heard estimates of between $2 billion and $3 billion as the cost. It has been said that it would bankrupt the country and is quite impossible. But it was only a few months before the election last summer that several hon. gentlemen who are now occupying the government benches were pushing for a guaranteed annual income. I should like to read from the *Globe and Mail* of August 13, 1966. It indicates that western Liberals meeting in Saskatoon called for full government study of a guaranteed annual income program. The article then states:

> The resolution said a guaranteed annual income program would be a substitute for Canada's current maze of welfare and assistance programs. Liberal M.P. Ronald Basford (Vancouver-Burrard), a member of the British Columbia delegation, urged adoption of the resolution, saying the concept is new but promising.
>
> "We want to see if this will be a way to break the cycle of dependency which nowadays often keeps people on welfare all their lives."

• (5:50 p.m.)

I agree. I think that is good sense. I hope he will echo those sentiments now. I daresay I shall find out in a little while whether he will. He was not the only one to push for this. The then minister of national health and welfare, the minister of agriculture, the minister of justice, the leader of the opposition and quite a few others were pushing for a guaranteed annual income. I think the arguments for it are every bit as good now as they ever were.

If and when we get a guaranteed annual income, I ask hon. members to remember that tremendous savings will be made in other social security programs. These savings can be made whether at the federal or provincial level. Please do not forget that it is the same John and Mary Doe who put up the dough when it comes to taxation, no matter which government does the collecting. A guaranteed annual income is not all financial loss. The economic council at page 105 of its annual review says:

> It has been estimated in the United States that one poor man can cost the public purse as much as $140,000 between the ages of 17 and 57.

I would add that he never does get out of his poverty. So we are putting out thousands of dollars of the taxpayers' money recklessly to try to rehabilitate people who have fallen into the trap of poverty; and no matter how much we rehabilitate them they will never be in as good a situation as they would have been had we kept them out of the mess in the first place. The things I have proposed should be done now through wisdom about the future of our country and care for the people of our country. If we do not do

them now for these motives, we will do them later for other motives.

I attended the national conference on housing last week in Toronto. At that conference an American house builder who has been involved in housing programs said something like this: I hope you Canadians will be wise enough to tackle the housing problem on a broad enough scale now, while there is yet time. We delayed too long in the United States; we waited until the ghettoes rose higher and higher, grew thicker and thicker, and the antagonisms mounted more and more. Today we are doing through fear what we should have done through justice and common sense years ago. I hope we shall have the wisdom to do these things now, Mr. Speaker.

I know my time is almost up and I wish to cite only one more illustration. Other hon. members had a little more time allowed them, except for one hon. member across the way. What kind of people and what kind of country do we want? I hope we will not everlastingly be grubbing along in this country satisfied with people just getting enough to eat, wear and provide a roof over their heads and a car in which to go places. That is not enough. We should be looking forward to making conditions such that people can have what used to be called the finer things of life, such as music, books, travel and a chance to meet and talk with people and do interesting things. We in this house can all do that but large sections of the Canadian public cannot.

Last fall the *Canadian* magazine gave the example of three citizens of Canada, one with a wife and four children and an income of $8,000 a year, another with a wife and three children earning $16,000 a year, and the third with a wife and grown son earning over $50,000 a year. I could point out that the smaller the income the larger the number of children, but I will leave that side of it alone. But this is what I want to emphasize. The man with the income of $8,000 a year can afford only 1.2 per cent of his income for books, entertainment, special hobbies, club memberships and vacations. The man who earns $16,000 a year can afford 7.84 per cent of his income for these extra things, and the man earning over $50,000 a year can afford 36.8 per cent of his income for what we call the finer things of life, above and beyond the creature needs of human beings.

I wish this budget had contained one little hint that we are aiming for this kind of society, because that is the just society. I say to the government: You have raised people's expectations in the country. You have lit the fire under people's hopes and aspirations and that fire, in spite of this damp squib of a budget, will not go out.

Mr. Mongrain: Mr. Speaker, I have a question for the hon. lady and I apologize again for interrupting her. Of all the interesting comments she made this afternoon there was one that struck me as being somewhat inconsistent. I would therefore appreciate being told how the hon. lady links her present attitude of blaming the Prime Minister (Mr. Trudeau) for promising the provinces that in the next five years they will have their autonomy and administer social services such as medicare, with the expressed concern of her party for the policies of my province which they themselves call "le statut particulier".

Mrs. MacInnis (Vancouver-Kingsway): Mr. Speaker, I would have no objection to the provinces having a great deal of leeway to carry out their own programs. As a matter of fact, I want that; but I want it along with a framework of national planning so that Canadians may move from the hon. member's province to mine and feel quite at home. It is for that reason that I deplore very much the destruction of a national framework of social security, including medicare.

Mr. Deputy Speaker: The hon. member for Brant.

Mr. Brown: Mr. Speaker, could I call it six o'clock?

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. J. E. Brown (Brant): I should like to take part in this debate, Mr. Speaker, in order to deal with several important matters, one or two affecting my constituency and the others being of urgent national consequence. I will divide my remarks into two parts. The first part deals with the dangers to individual Canadians from the growing bureaucracy of government agencies, particularly as they relate to the position of individual members of parliament who represent the population of Canada in this house.

I could commence with a matter involving the Department of Labour, and which is

related to the effort of this department to effect a savings in its estimates. The department closed the unemployment insurance offices in various parts of the country. In spite of my strong opposition, Mr. Speaker, taken with the predecessor to the present Minister of Labour (Mr. Mackasey), who did not or would not listen to me but listened instead to his over-zealous officials, all of whom may have been more interested in preserving salary increases to themselves instead of being interested in the people of the country, the unemployment insurance office at Brantford, Ontario was closed, and was removed to Hamilton, Ontario. I need not remind members of the house that Brantford is a community of some 60,000 individuals, hard working, serious minded people who have lost the services of an office of the government of Canada which was vital to each of them. At the moment there is no office in Brantford to deal with unemployment insurance problems. The hard working people of Brantford have to go to Hamilton to discuss with officials there the individual problems they have. These problems pile up, particularly when the department rules against the claims made, and this is not infrequent. I can assure you that the claimants necessarily appeal and have to provide evidence. They write letters to Hamilton which go unanswered. Then they go over to Hamilton at considerable expense.

In the alternative, they make telephone calls to Hamilton, thereby running up considerable expense in telephone bills. Some people have reported to me at my house in Brantford that their telephone bills are running very high right now because of calls to Hamilton. First of all, they have to try to find the proper official who can deal with them, and then when they do find him they have to discuss their problem. By providing no service at all to the working people of Brantford in connection with unemployment insurance the government, inadvertently of course, is raising their taxes considerably.

The unemployment insurance authorities will not even send an official to Brantford for a minimum of two or three days a week to interview people and hear their complaints. As a matter of fact, the Unemployment Insurance Commission will not even instal a telephone service for Brantford residents so that a person would only have to dial the word "Zenith" to call the officials in Hamilton.

The result of this is that these people communicate with their member of parliament. I am therefore spending a large portion of my time, week in and week out during the sessions of parliament, answering people and promising to take up their complaints with these officials. I am becoming, as it were, a many-armed ombudsman for the people of the county of Brant. I do not mind giving this service. After all, it is my duty to assist them and I am ready to devote a large portion of each week to the performance of this duty when I should in fact be sitting in my seat listening to the debates, studying government estimates and generally acting as the true representative of the people of the county of Brant in the House of Commons. Let me warn the Minister of Labour (Mr. Mackasey), that kind and understanding gentleman who happens to be a dear friend of mine—

• (8:10 p.m.)

Mr. Nielsen: You won't get any office that way.

Mr. Brown: I know, but I want to tell him that because I believe it—that he can expect to hear a good deal more from me in the next few weeks and months on the matter I have raised.

I should also like to say one or two words about hospital employees, Mr. Speaker. There are some 255,000 permanent and about 36,000 part time hospital employees in this country. You may not know, Mr. Speaker, that these people cannot qualify for unemployment insurance, but that is the case. They can qualify only if the hospital board that employs them permits them to apply as a group. Unfortunately, hospital boards are very often composed of active businessmen who, perhaps, suffer from a lack of social understanding. As a result they are frequently lax in seeing to it that their hospital employees are allowed to register for unemployment insurance. Under the law at present, unless the hospital board sanctions it, hospital employees cannot qualify for unemployment insurance.

It seems rather shocking to me, Mr. Speaker, that the Unemployment Insurance Act fails to provide for these people, and I fail to see the reason for their exemption from the provisions of the act. I suggest that an amendment to the act to correct this situation would mean a great deal to this large cross section of workers. After all, Mr. Speaker, what group does more in life than that which helps their fellowmen in hospital?

I should like to spend just a moment or two discussing the Canada assistance plan and how it operates in this day of top heavy bureaucracy. This plan is administered by the

provincial authorities, and I want to give the house one or two examples of how it operates. I should like to refer to two cases that recently came to my attention, each involving a man who had been disabled.

When the plan was put through the house, Mr. Speaker, I understood that a new day was dawning in Canada for those suffering from various degrees of disability. The era of old fashioned welfare programs was said to be gone forever; a new approach was going to be made to ensure that nobody would be left destitute as a result of physical disability which prevented him or her from working. I understood that was the clear intention of the plan when it passed through parliament.

One man in my constituency, Mr. Speaker—and a finer person you could never meet—had to undergo brain surgery. Since undergoing the operation he has been unable to return to his former employment. However, he is not totally disabled. I had understood that the day when you had to be totally and permanently disabled before you could apply for a disability pension had gone forever; but no, Mr. Speaker, that is not the case: Far from it. At my suggestion this gentleman applied for a disability pension.

• (8:20 p.m.)

What happened? Local officials employed by provincial authorities called on him and said, "We have discovered that your wife has been working, and unfortunately you are unable to draw the disability pension because too much money is coming into your house." I thought that means tests in matters involving subjects like this had been done away with, but that is not so. The officials called and said, "Your wife is working and you cannot qualify." But she is not in good health and really cannot work. Nevertheless she goes out to work. Why? The answer is that she does not want to apply on behalf of her husband and herself to the local relief office of the municipality of Brantford, Ontario. That is why; and because she earned money that claim was rejected by the officials.

I know another case concerning a man who is a year or two over 60 and who suffered two strokes. It was clear to me that he positively cannot work. This man came to see me during the last general election and I told him to come back after the election and I would speak to him. He did that, and I advised him to apply for a disability pension because I felt he was entitled to it. What happened? Some officials went to his house; they were very sympathetic and courteous but they said to him, "Why, we have discovered your wife has been working. Too much money is coming into your house and you are not entitled to a disability pension." That man's wife is beyond the age when she should be working hard; yet she is working hard and earning a mere pittance. She must do so, in order to sustain their home and to avoid, if at all possible, having to apply for relief to the local municipal relief authorities. I can tell you, Mr. Speaker, that at Brantford, Ontario, as elsewhere, people dread having to apply for relief, because such an application humiliates one.

In both cases the couples were told, "You are not entitled to a pension, as too much money is coming into the house." In the latter case, on top of all the troubles that couple had, in the midst of their sorrow they were informed by local officials that the husband was not eligible for a pension because his wife had dared to work, the implication being that they had discovered something terrible. Here was a woman going out and earning a little money. I think she should be honoured for so doing, but that disqualified them from receiving a disability pension. Surely, this sort of thing is far from what hon. members of this house expected when fairly recently the Canada assistance plan passed through this house.

Now I wish to say a word about student loans. I thought a new day had dawned when legislation permitting student loans was passed by this house. But, again, for various reasons the administration of these loans was left to provincial authorities. What has happened? A student is interviewed at his university or other place of learning by officials, and is asked, "What do you want?". The student answers, "Well, I want a student loan." The official asks, "Yes, but how much do you want?". The student answers, "Well, give me $1,000". The student figures that $1,000 together with the money he has earned during the summer months will see him through the year. The official answers, "You want $1,000, do you? Well, you will be given half, and the rest you must get wherever you can". This is going on, and I have had many complaints. People call me up night and day, and I sincerely try to do the best job I can as a member of parliament for my constituency.

What kind of operation is this, Mr. Speaker. When this legislation was passed I do not think it was the intention of the house that students applying for loans should receive only a fraction of the amount they applied

for. When a student applies for a loan in good faith I think he is entitled to receive his full loan from the department administrating this legislation. So, Mr. Speaker, bureaucracy grinds out its work in contemptuous disregard of parliament and the members thereof.

Some hon. Members: Hear, hear.

Mr. Baldwin: Tell us more.

Mr. Brown: I really dislike raising grievances like these on behalf of my constituents, but I must do so if I am to continue sitting in this house and representing them.

Some hon. Members: Hear, hear.

Mr. Brown: And now, hon. members, and particularly hon. members of the government, I want to talk about a matter that affects our whole population. I refer to the subject of rents of real estate and the tremendous increases in rent which landlords have been imposing on their tenants right across the country. Mr. Speaker, the persistent upward spiral in rents will have to be curbed. Rents will have to be brought into line almost immediately. In other words a system of rent controls should be introduced. A bill providing for these controls, together with a request to the provinces to pass enabling legislation to deal with this matter, which is admittedly of national urgency, should be brought in. Coupled with this, or perhaps in place of it, I should like also to see a capital gains tax instituted to deal only with sales of real estate other then private, owner occupied residences.

Mr. Brewin: What party are you in?

Mr. Brown: I feel that this matter ought to receive the early attention of the government. This might of course cause certain economic difficulties, but such a tax and such rent controls constitute a moral necessity at this time. The taxing of profits on real estate transactions will, in itself, help to curb the activities of many unscrupulous persons. Rent controls ought to curb the activities of landlords who do not consider for a moment the position, economic and otherwise, of their tenants. I raise these last matters in the face of what appears to me to be truly a national emergency.

• (8:30 p.m.)

Some hon. Members: Hear, hear.

Mr. Brown: This emergency is of great importance in its ramifications in that it is shaking the stability and peace of the country. Its challenge constitutes a danger to our entire economy and it threatens the very existence of our democratic process as evidenced by this house and the Senate.

An hon. Member: Would the hon. member permit a question?

Mr. Brown: I will deal with it when I have finished; I am almost through.

I appeal to the government to do something in this field of rent control, perhaps by imposing a sharp capital gains tax on real estate profits only. I think the people of Canada are looking to us to protect them. I believe that a fundamental right of every Canadian is to shelter, particularly in a climate like ours, and unless this is obtainable by our people we shall be unable to work toward that just society which is so much spoken of by our highly revered Prime Minister (Mr. Trudeau), and which is sought not only by him but, I know, by every hon. member of this house and of the Senate.

[*Translation*]

Mr. Speaker, before resuming my seat, I would like to say a few words in French, our second official language.

I would like to explain to hon. members that in the riding of Brant, which I have the honour to represent in this house, the great majority of the people speak English. Nevertheless, since I was a child, I have always been fully conscious of the important contribution made by our French-speaking compatriots to the development of our country.

If I remember correctly, fifteen years ago already I made in this house a speech in which I said to hon. members that a new trend was emerging in Brantford. Among other things I told them that several distinguished women in Brantford, particularly the members of the University Women's Club were beginning to take French courses and were holding some of their meetings in French.

The Acting Speaker (Mr. Béchard): Order. I am sorry to interrupt the hon. member in his very worthy efforts in our second tongue, but his time has expired.

Some hon. Members: Continue.

The Acting Speaker (Mr. Béchard): Does the member have the consent of the house–

Some hon. Members: Agreed.

Mr. Brown: Mr. Speaker, I should like to thank my colleagues for allowing me to say a few more words.

The trend about which I spoke continued to grow through the years. Today, we often hear French spoken on the street. Indeed, the French language has become so popular that during the last election campaign, my Conservative opponent used the argument that he was bilingual, or at least, that is what he said. Later on, I myself made a speech in French over the radio. I felt that if a Conservative gave a speech in French, it was high time for me to do better.

Mr. Speaker, we are all working toward building a new Canada, a bilingual Canada, a more prestigious Canada, a Canada whose people can use two beautiful languages recognized as such by the nations of the world under the able guidance of our bilingual Prime Minister.

Some hon. Members: Hear, hear.

[*English*]

Mr. Erik Nielsen (Yukon): The complaints of the hon. gentleman who has just resumed his seat are legitimate but the allegations as to paternity are not. There are literally dozens of members of this house who have the same complaint concerning the removal of unemployment insurance offices across the country, but it should be remembered that it was the hon. gentleman who is now the Lieutenant-Governor of British Columbia who was the creator of that policy, as a member of the government which the hon. member for Brant (Mr. Brown) now supports. In view of the remarks the hon. member has made, it will be interesting to see how he votes when the motion of non-confidence is dealt with this evening.

We are approaching the anniversary of another 60 days, 60 days which some might compare with those famous but ill-conceived 60 days of a previous administration after it had been given the somewhat marginal confidence of the Canadian electorate in 1963. It is a vastly different 60 days, though, 60 days which seem to be titillating the timid, terrifying the bold and dazzling the daring with their footwork.

• (8:40 p.m.)

We have had a budget that has been produced by a Minister of Finance who makes his predecessor look like an expert. To contemplate the spectacle of the government's financial manipulations is to contemplate chaos in command. They have now revealed their financial incompetence, their intellectual bankruptcy, and we have had the Prime Minister's proposal yesterday to cast the provinces aside in what will amount to a sea of debt.

For five years under successive Liberal administrations we have had plan after plan, program after program; wars on poverty which have been discontinued without a shot being fired. We have had the Canada Assistance Plan, the Canada Pension Plan, task force No. 1, task force Nos. 2 and 3, literally dozens of task forces travelling across the country to the extent, as I said before, we should be introducing a bill to unify all these task forces running around the country. Nothing has been achieved, except higher and higher costs, and higher and higher taxes, costs and taxes imposed by the government on the provinces because of the actions of the government.

Mr. Groos: And smaller oppositions.

Mr. Nielsen: But that situation won't prevail very long I can assure the hon. member. The people of this country can be fooled some of the time by some of the people, but not all of the time by people across the way.

Some hon. Members: Hear, hear.

Mr. Groos: Author?

Mr. Nielsen: Well, it certainly wasn't the hon. gentleman. Medicare was a tragic example of social justice being sacrificed to political expediency. It was a field that was already occupied by the provinces. Ontario had a plan. Several provinces had signified their intention of setting up medicare. Saskatchewan was already in business, and Ottawa decided to break into the field, not for reasons of social equity, not for the general good of the greatest number of people in this country but for reasons of headline hunting political expediency, and there lies the truth of the medicare mess that the government finds itself in now.

That this was so, and is so, is shown by the formulation of the criteria which the provinces cannot meet and have made clear now they cannot meet, to say nothing of the two northern territories. I know there is not too much concern displayed on the opposite side of the house for the two northern territories because of lack of knowledge in connection with them. But here we have the Prime Minister (Mr. Trudeau) saying that in five

years the federal government is going to get out of this plan. We in the north will then still be trying to get into it. I can see it now.

This gave to Ottawa pre-emption of the medicare field while at the same time making it difficult for the provinces to get into the field at all. It had the effect of putting off medicare for millions of Canadians.

An hon. Member: They will all need it after this speech.

Mr. Nielsen: I am sure the hon. member will have his opportunity later and I hope he will rise and enter the debate. Let him tell us when his province will be getting into the plan under the present formula of the government.

Having secured the credit for medicare in two elections the government has now squeezed out all the political mileage it can from medicare and is opting out. It is not surprising that the so-called opting out proposal from the Liberal government to the provinces is now being taken over at the federal level. We have had an example of the federal government inaugurating programs it could not pay for, knowing it could not pay for them, and now leaving the provinces to hold the baby.

Mr. Woolliams: What a baby!

Mr. Nielsen: And what a baby it is! Faced with a situation of financial chaos the federal government is in effect declaring bankruptcy and leaving the provinces to face the creditors. There has seldom been an instance of federal government irresponsibility to parallel this one. However the Prime Minister will find that the government is bound by the undertakings of its predecessors.

Medicare was brought in in its present form by his government. They took the Saskatchewan scheme, which Saskatchewan is now trying to modify because it is in deep trouble with it, and forced it down the throats or tried to force it down the throats of all provinces. The former minister of finance saw where they were going and he said it would cost $500 million annually. He was not very wrong. That was for the federal end of it. He said that in 1969 that would be the bill, presuming all the provinces were in the scheme. Although the former finance minister warned them, they persisted. All the time they had in mind to leave the provinces to pay the bill. There has seldom been such an example of conscienceless manipulation of the people. The big Liberal party is over and we are now being handed the bill.

[Mr. Nielsen.]

Canadians, Mr. Speaker, are not any longer going to put up with this kind of fast and loose juggling of fiscal accounts that we have had from the government. We were given a set of estimates in March, and they were revised in October with an additional $400 million added to the account. The fact is that the government has completely lost control. National accounts are out of control. The Prime Minister knows this, and so does the Minister of Finance. The 2 per cent surcharge on income tax, up to a ceiling of $120, has got to be viewed as a desperate last ditch grab by the government for revenues. In order to get those revenues they are putting their hands in the pockets of the provinces, and that is what the complaint was the day before yesterday at the finance ministers meeting.

I will have something to say about the poor people, and about rule by the rich over there in a moment, but that is what the complaint was yesterday and today at the meetings of the finance ministers. In ordinary circles that kind of action is known as robbery, or at the very least larceny. Having over five years amassed a huge bill for uncontrolled extravagance and unworkable but very costly schemes, the government got together and said, "What are we going to do"? The answer was the easiest way out—send the bill to the provinces.

Ontario's provincial treasurer said yesterday they were embarking on a policy of fiscal balkanization. The simple fact of the matter is that the government's finances are in a state of chaos. I am making every allowance I can for the situation in which they find themselves but I cannot come to any other conclusion. I am sure hon. members in the rump to my right and across the way feel the same way.

Some hon. Members: Hear, hear.

Mr. Nielsen: They are agreeing. Let us examine the course of events. It is an almost incredible story of patching and papering, a story of borrowing from Peter to pay Paul, or perhaps it is borrowing from Mitch to pay Edgar. It is a story of blundering compounded, of half-hearted measures where bold and imaginative decisions were required. It is a story of a light that failed, of a ship that foundered, of a crew that has been overcome by its own incompetence. I am sure the rump can see that as well. These are the people across the way who railed and ranted and complained.

• (8:50 p.m.)

[*Translation*]

Mr. Marcel Roy (Laval): Mr. Speaker, may I ask my—

The Acting Speaker (Mr. Béchard): Is the hon. member for Laval rising on a point of order?

Mr. Roy (Laval): Yes, Mr. Speaker. As a member of the rump, as this corner of the house is called, could I ask my hon. colleague, if he has read the statement of the president of the Chamber of Commerce of Canada, Mr. Lynch, about the budget?

[*English*]

Mr. Nielsen: Well, I cannot blame my hon. friend, because his confusion and his lack of knowledge is just about the size of that which exists in the minister and government that presented this budget. Here we have these people who not too many years ago thought the nation was on the edge of fiscal disaster, on the edge of a great precipice.

Mr. Roy (Laval): The Diefenbaker years.

Mr. Nielsen: Quite right. Every one of those people criticized those years and the deficit financing. This year we are going into the hole deeper and deeper. What do we have now?—the greatest deficit in the nation's history. They are making records. They are making records every day now. They now have established the record for running up a deficit of $790 million. This is far greater than the Diefenbaker years ever accounted for. At the same time we have the highest cost of living and the highest taxes in the country's history. Real good times! They should be in the Olympics because they would get a gold medal for this kind of thing. And the deficit of $790 million does not include the Expo's deficit, or the medicare deficit which has now been swept under the rug.

In the coming year we are budgeting for another deficit which will run up to $600 million or $700 million by the time all the figures are in, because again they have not taken into account the full cost of medicare or the full Expo deficit. We have seen and are seeing every day weird and wonderful procedures of a kind that would bring about the disbarment of professional accountants, as the government frantically uses every device to cover up the real story of its fiscal malaccounting, the real size of the largest deficit in the history of this nation, and its misleading quotations in the estimates which have been the subject of national condemnation in the press.

In the meantime the government, with its cap in hand, ran to the market every other day for cash loans through short term treasury bills, forcing interest rates to unprecedented and dangerous levels.

Mr. Roy (Laval): That is ridiculous.

Mr. Nielsen: Ridiculous?

An hon. Member: The Viet Nam war.

Mr. Nielsen: There is an example of the fiscal knowledge of our friends in the rump over there.

Mr. Hees: He is going to be Benson's executive assistant.

Mr. Nielsen: The hon. gentleman should be immediately promoted because he would probably be an improvement over the existing minister.

They kept the iniquitous tax on homes, locking out young couples from that privilege which is rightfully theirs, the privilege of every young Canadian couple of having a home of their own. We have the sales tax on building materials, and in addition to having the highest cost of living I forgot to add that we have the highest interest rates. Another gold medal. What has happened is that this government, because of the rug that has been pulled from under the housing industry in this country—and the hon. gentlemen should crawl under that rug because that is where they belong—has forced young Canadian couples in this country to take up housekeeping in the back seats of automobiles. And the way the cost of automobiles is going up, as a result of the new automobile pact, even they are going to find themselves cramped for space. It would be humorous if it were not so serious and such a tragedy. That is the tragedy of their policies.

I heard my hon. friend who just sat down a moment ago talk about rent controls. We in the north would like to have something to control. These tragedies do not take into account the rights of young Canadians, and particularly those younger people who have a right to look forward to owning their own homes. I think this is the most serious tragedy of all as a result of this government's policies.

And we all expected so much. My friend who just sat down a few moments ago spoke

of the octopus—he did not use that term but I do—of the bureaucracy encroaching hon. members' rights. Yet he supports a government that directs our young people into some king of bureaucratic outlet. I will say a thing or two in a moment about the C.Y.C., because the young people of this nation are the most serious tragedy of all. The young people look to the government for guidance, and get none at all. This government will go down in history as the government that refused to recognize the problems of the youth, or failed to do anything about these problems if they did recognize them.

An hon. Member: Local papers—

Mr. Nielsen: Who worries about local papers, when I rise in this house to speak? In my riding we have one weekly newspaper and it has to travel 207 square miles to get around, so by the time my remarks get around by newspaper they are pretty old.

We have had an offer by the Secretary of State (Mr. Pelletier) to draft youth into the public administration. That does not meet the problem. No plan, no policy, no programs, no goals, no targets, no objectives for our young people. And this is a government that was elected on the youth swing. They set up the Company of Young Canadians and then they proceeded to find something for it to do. I think it would have been a great deal more beneficial and constructive had they determined the needs, set out the policies and objectives, and then set up the organization to pursue those objectives. Where is the great society; where are the plans, policies and programs that the people of this country expected from the government when they elected it?

Never has there been an order paper so bare, if I may use the term, or so bereft of inspiration as the present government's order paper.

Mr. Roy (Laval): I thought you were reading that in.

Mr. Nielsen: It makes Mother Hubbard's cupboard look like a well stocked patchwork. Let us have a look at these fresh new policies and find out what has been going on for almost 60 days. We have a bill here that is to concern itself with the status of official languages in Canada, a bill which I fear will be setting up bilingual ghettos in this country. Perhaps this is better than unilingual ghettos. We have a bill to amend the Farm Machinery Syndicates Credit Act.

[Mr. Nielsen.]

Mr. Roy (Laval): What do you say about it; were you here when the vote was taken?

Mr. Nielsen: The hon. member asked me what I have to say about this bill. Because of the government's attitude toward agriculture in the Yukon and in the north generally, we do not have to worry about agricultural matters there because we are not going to get anything from this government.

• (9:00 p.m.)

We have a bill to amend the Fisheries Improvement Loans Act; we have a bill to amend the Veterans Land Act, with the specific purpose of raising the interest rates on V.L.A. loans; we have a measure to amend the Patent Act, the Trade Marks Act and the Food and Drugs Act; we have a measure to amend the Historic Sites and Monuments Act to provide for membership on the board of an officer of the national museums of Canada; we have an act or a resolution to introduce a measure to prevent the introduction or spreading of pests.

Some hon. Members: Oh, oh.

Mr. Nielsen: That is what I am going to be here to vote on. That measure refers to pests that are injurious to plants. We have a measure to provide compensation to farmers whose agricultural products are contaminated by pesticide residues; we have another measure to amend the Animal Contagious Diseases Act. This is to remove from the act the amounts of compensation specifically laid down for horses and cattle.

An hon. Member: For horses, what?

Mr. Nielsen: This is in respect of horses and cattle.

And so it goes. There is nothing on the order paper of consequence. Where is the imagination of this new era that is to come about as the result of the election of this fresh, new, vibrant, exciting government? Where is it?

Mr. Baldwin: It is still off to the rump.

Mr. Nielsen: Perhaps we might find it in the freshwater fish marketing board. The last government ran out of ideas after five years and this government is intellectually bankrupt from the start. They let the Company of Young Canadians flounder in danger of drowning. There is nothing for youth.

Mr. Perrault: You are not an optimist.

Mr. Nielsen: Can the hon. member blame me for not being an optimist? I am an incurable cynic now, having looked across the way since 1963.

What about all this vibrant legislation? What has the government been doing? They have been pushing up the interest rates for farmers, for fishermen and for veterans. They have locked out the young people from their right to suitable homes. The minister, by his fiscal policies, aided and abetted by millionaires row over there—and those who are not in that class hope to join those ranks—and by his confiscatory taxes and his refusal to deal with the housing problem has acted as some kind of an anti-cupid, making it difficult if not impossible for the young people in this country to get married. Does the Minister of Finance or his counterpart in Transport deny that one of the requirements for a happy marriage is a home; a place wherein to lay one's head?

Some hon. Members: Oh, oh.

Mr. Nielsen: This government has callously denied this right to young Canadians by the iniquitous 12 per cent tax on homes, which is a tax on the happiness of the young people of this country.

Some hon. Members: Shame.

Mr. Nielsen: This is a tax which has over and over again been piously defended in this house by the pharisaical pronouncements of both the present and the former ministers of finance, and which is embedded as a policy of a callous and heartless government.

I say to the minister, who unfortunately I do not see in the house—perhaps he is not on the roster—and the Prime Minister. Let these young people have homes. Take off the tax on happiness and give the young people a break. Come down off your high horse and out of your ivory tower and remove the iniquitous tax on building materials. I implore you people over there and in the rump to do these things.

I suppose we may as well try to get blood out of a stone as sympathy out of this government. The government's next move, having authorized a $50 million arts centre of which 99.9 per cent of Canadians will never see the inside—

Mr. Woolliams: That is George's house.

Mr. Nielsen: —and having spent $50 million on a hydrofoil of which nothing has been heard for three years—it may be in orbit—and having squandered money on task forces and wars on this and that all over the country, is to cut back on Indian health payments and services. This is perhaps the most iniquitous move in a sordid series of incompetent blunders by this government. Imagine having squandered money for five years—not like drunken sailors because no drunken sailor ever had that much—and having them now come along and say, that, apart from the average poor people, the Indians must pay! Who could be more poor in this country than that group of citizens?

The Indian has been getting too much, they say. We cannot afford to have these Indians getting sick and asking for medicines. We made them wards of the state. We took away their independence and we placed them under the almighty department of Indian affairs. We have made them bureaucratic pawns but we refuse to allow them to get ill, hungry or jobless because we will no longer pay. This is the all-seeing wisdom of the most heartless government in our history; and they talk about compassion. What a hollow ring that word has coming from this government. We are now going to soak the Indians.

Of course, we are already soaking the poor with the $120 cutoff, which must not be allowed to inconvenience the rich. We had the 5 per cent surcharge last session which was rejected by parliament. Then we had the 3 per cent surcharge, and now we have a 2 per cent surcharge. We had a budget in the spring and one in the fall. Then we had no budget for 14 months. Now we have another budget in the fall, which means we will have another budget in the spring. In spite of this the government attempt to pass themselves off as fiscal experts. Let me say this government is fiscally unfit.

An hon. Member: How do you spell that?

Mr. Nielsen: I do not know how to spell it, but I know what I would give to cure it.

We have rural poverty with new frontiers of science in the space age. We should be opening up the north and we should have a clear cut and intelligent defence policy. We should have a policy stimulating national development. These are matters the government has failed to recognize. It has written off the needs of our major cities and industries.

This government has sent the Minister of Transport (Mr. Hellyer) on a junketing charade from coast to coast. He is now in the

Yukon. This is taking place when he has not been busy at home watching himself on his home video set.

The Acting Speaker (Mr. Béchard): Order, please. I have to advise the hon. member that his time has expired.

Some hon. Members: Carry on.

The Acting Speaker (Mr. Béchard): Does the house give its unanimous consent?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Béchard): Does the hon. member have the consent of the house?

Some hon. Members: No.

Some hon. Members: Carry on.

Mr. Nielsen: I promise that I will not be long, and I thank the house for its tolerance. I promise to be amusing, but if hon. gentlemen will read what I have had to say they will find it is very serious indeed.

When the Minister of Transport was not at home watching his home video set, they sent Captain Video around the country. Some people saw him: Now you see him; now you don't. That was their answer to housing: Canadians asked for housing and the government gave them Hellyer.

• (9:10 p.m.)

Some hon. Members: Oh, oh.

Mr. Nielsen: The housing situation was a mess created by the government's policies. They added 25 per cent to the price of a house, with a 12 per cent tax on every item of construction. They raised the interest rate. They priced homes out of the reach of any Canadian in the under $15,000 income bracket. Then, to make sure those people had nothing left, they brought in the 3 per cent surtax, followed by the 2 per cent surtax with the cut-off at $120. It is this government which has placed housing out of reach by unrealistic, destructive and heartless interference all along the line.

Mr. Speaker, I thank hon. members for permitting me to finish my speech.

Mr. D. Gordon Blair (Grenville-Carleton): Mr. Speaker, in rising to make my first address to this chamber I had intended to make a few remarks about my constituency, particularly as they relate to the budget proposals which are before us. Until I heard my friend the hon. member for Yukon (Mr. Nielsen) I thought perhaps I might be called to order because of straying from the point.

Some hon. Members: Oh, oh.

Mr. Blair: Let me immediately assure all hon. members that I do not intend to re-read the order paper to them.

Mr. Nielsen: You don't dare.

Mr. Woolliams: There is nothing to read.

Mr. Blair: My constituency, like many others, was newly created by the recent redistribution. It embraces the western suburbs of Ottawa and extends south to the St. Lawrence river. It includes all of Grenville county, a large part of Carleton county and half of Dundas county. The prevailing political tone in these three historic counties has been rather blue in almost all the years since confederation.

Mr. Knowles (Winnipeg North Centre): More than ever now.

Mr. Blair: While the voters in this election chose a livelier colour and a new party, I have found they are accustomed to excellent representation in this house by both of my distinguished predecessors, Mrs. Jean Wadds and Hon. Dick Bell. As I embark upon my first term in this house I am conscious that I have a high standard of representation to maintain.

The budget we are discussing is one which in my opinion the Canadian people expected. With far greater insight than many optimistic political leaders, the people generally realized that the rapid expansion of government spending and the continual accumulation of deficits at all levels of government could not continue indefinitely. In the recent election the people resisted the blandishments of those who promised new and costly programs of expenditure. They responded to the appeal of this party, which was for a proper national stocktaking, the stabilization of government spending and was in no sense at all based on the promise that somehow governments could increase their expenditures and good works without cost to the taxpayers.

All of us who were elected to this parliament must have known that it did not face an easy task. Apart from the major decisions it will have to make toward the reshaping of this country for the future, one of its major concerns will be always the stabilization of the nation's finances. Although increased

taxes will never be greeted with enthusiasm, it is my belief that this budget will be accepted by the Canadian people as an obvious and essential first step in our country's march forward in the next four years. It is but the first step.

The restoring of financial stability and balance is necessary to lay the basis for necessary and important tax reforms based on the recommendations of the Carter royal commission, which the government intends to place before the house early in the new year. In a new context of stabilized government finance, which I suggest will have to be parallelled by similar action by provincial governments, who with the municipalities now account for the far greater proportion of total government expenditure in Canada, the nation and this parliament can address itself to the important question of tax reform. The aim of this reform must be, as stated by the Carter report, to achieve greater equity in Canada's taxation system.

In a much broader sense this budget will provide the stable base required to ensure the expansion and continued growth of the Canadian economy. It is only through the growth of our capacity to produce goods that we can enjoy a greater prosperity. Through this growth the present level of government expenditures in all jurisdictions can be more easily absorbed, and as our economy expands new and necessary programs can be undertaken. This budget, therefore, provides the essential foundation for the nation's expansion during the life of this parliament.

It is about the immediate future of this nation that I wish to speak. My constituency is in many respects like a miniature Canada. It presents the challenges and the problems which are faced by many areas across this country. It includes the rapidly expanding suburbs of Ottawa, industrial towns on the St. Lawrence such as Prescott, Maitland, Iroquois and Cardinal, and the farming areas in between. But tonight I can speak of only a few of the concerns of my constituency as they relate to the major problems faced by this nation and this parliament.

A recent special report in an Ottawa paper indicated that the Ottawa area was the most rapidly expanding urban area in Canada. It is expected that its population will exceed one million people by 1985. A very large part of this expansion will occur in Nepean township, which forms part of my riding. Urban expansion in any part of Canada presents a major problem, but in this region it presents particular problems which must be the special concern of this parliament.

The federal government is the largest landowner and by far the largest employer in the metropolitan Ottawa area. It must be involved in the proper development of the area. Hon. members will be aware of the controversy which is now taking place about the planning of the development of downtown Ottawa concerning restrictions on building heights. What this controversy and problem clearly indicate is that there is an over-all defect in the planning and governmental structure in the capital area.

The emergence of a new regional government in this area on January 1, 1969, is a forward step; but it is not enough. The premier of Ontario, speaking recently in Ottawa, pointed out that the structure of the new regional government permitted participation by the federal government in the planning and development of the Ottawa region. Officials of the three governments of Canada, Ontario and Quebec, are now studying in detail the co-operative action which must be taken by them to govern and develop this capital area in the future. A proposal made in the last parliament for the creation of a special joint parliamentary committee to study the operations of the National Capital Commission is also an important step. I hope that this committee will be appointed and commence its work at an early date.

• (9:20 p.m.)

The final result of all of these deliberations, in my judgment, should be the creation of an effective but not domineering federal presence in the governmental structure of the Ottawa area. This will enable the federal government to play a positive and definitive role in the planning and development of this area. This role should not be limited, as it has been in the past, mainly to the creation of great national assets, such as buildings, parks and driveways, but it should be positively directed toward the improvement of the quality of life for all residents.

The task should not be undertaken to create a national capital as a great national monument, but rather as a metropolitan area which will stand forth as an example to all of Canada and will enhance the pleasure of living here for the people for whom the federal government should have a special concern, namely its own employees. In my opinion, we have in this parliament a magnificent opportunity to develop in this capital area all that

is best in the new concepts of urban living, including the creation of satellite towns and the reassessment of the concept of the greenbelt for the use and benefit of all people in the region.

A most essential part of the planning and development in which the federal government must become involved is that of urban transportation. The lack of a fully integrated urban transportation system in the suburbs which I represent is not only a great inconvenience to the people living there but a positive hindrance to their life and livelihood. Recently, a lady living in one of the suburban developments in my constituency was disqualified by the local office of the Unemployment Insurance Commission because her area of work was said to be restricted through lack of proper transportation to the area where there were reasonable opportunities for her to obtain employment. This is a condition which should not and must not prevail.

The solution to the urban and suburban transportation problem in the metropolitan Ottawa area is one which is beyond the present capacity of local municipalities. It can only be undertaken with strong leadership and financial support by senior governments. All of us here recognize that a solution to the problems of urban transportation provides one of the greatest challenges of our time. This government has committed itself to make a positive contribution to this solution, including among other things the institution of pilot projects. There is no place where this solution can be attempted to greater effect, and no place which would benefit more from such a pilot project than the metropolitan Ottawa area, which is within constant view of the federal government.

On other occasions, I intend to speak about the concerns of people living in my constituency, and particularly the public servants who constitute a large part of the population of suburban Ottawa. By the nature of their employment they are denied the same voice in public affairs which is the privilege of other citizens. This is the more so in relation to the activities and decisions of the federal government, which is their employer. The position of the public servant is one of great importance to all of us, and we who are members in this house bear a special responsibility, if not a trust, to protect the special interests of the public service.

In my view, the position of one important group requires special comment tonight and early attention by this parliament. I speak of the retired public servants.

[Mr. Blair.]

Mr. Knowles (Winnipeg North Centre): Hear, hear.

Mr. Blair: As a result of inflation, many retired civil servants have been deprived of dignity and security in old age, which they believed would be theirs during all their years of service to the public. In terms of simple justice and equity, the case of retired public servants cries out for relief, and that relief in my judgment should come immediately. Most hon. members will know that the joint committee of the Senate and House of Commons studying the public service of Canada made the following recommendation in its final report on May 8, 1967:

> The government should do what it reasonably can to protect and preserve, or failing that, to restore in some measure the original purchasing power of the contributory pensions which, under the Public Service Superannuation Act, and similar enactments, it has provided for its retired employees.

The conditions, the house will realize, which existed when this report was made almost a year and a half ago have worsened from the standpoint of retired civil servants. Although I appreciate all the claims and stringencies which press on the government at this time, I believe that the highest priority should be given to the implementation of this recommendation of the joint committee, and that consideration of the relief of public servants should be undertaken with the least possible delay.

• (9:30 p.m.)

In my opinion, the future of this country and of my constituency cannot be adequately realized without greater effort in thinking and planning than we have seen heretofore. The industrial towns along the St. Lawrence have not experienced growth and development comparable to that which has occurred in the greater metropolitan centres of this province. Their development has been retarded, notwithstanding the fact that they are located along the St. Lawrence seaway and connected by rail and highway with all the main centres of this province of Ontario. They are progressive communities, well developed and able to absorb new industrial activity and larger populations. While not experiencing the great boom and prosperity of other centres, they are by no means depressed; and it is my view that communities such as these—and they are found in every part of this country—should become a special concern of this parliament.

All of us have to recognize that there are at present two major trends in national development and planning. On the one hand, there is an obvious rush by industry and commerce to the larger centres, creating major problems of urban living. If this trend continues some experts estimate that at the end of this century the great bulk of Canada's population will be concentrated in a few large urban complexes. On the other hand, areas which have not been fortunate enough to develop economically, or which have become depressed because of industrial movements and changes, have become the special concern of all governments, and major efforts are being made with the support of all of us to restore hope, vitality and life in these communities.

There is a great gap in public thinking and in public policy regarding the future of this country. We appear to stand aside almost mesmerized as great urban complexes grow larger and larger. We do what we can to alleviate obvious cases of area distress, but until now we must recognize that governments, whether provincial or federal, have not established solid goals for future planning, and certainly have in no way developed effective techniques to divert and direct the development of industry to many pleasant and admirably situated smaller places and towns in Canada.

The failure to properly address ourselves now to this problem will have the gravest possible consequences for our future. No one can view with complacency the rush of population and industry to great centres. All of us must be alarmed by the relative depopulation of smaller places which has occurred and will continue unless positive steps are taken to counteract it. All of us must be concerned about the effect on the quality of life and living in Canada if smaller centres, such as the towns along the St. Lawrence, are not encouraged to grow and to develop.

I began, Mr. Speaker, by describing this budget as part of a great national stocktaking, leading to the provision of a sound basis for future growth and expansion. Those of us who have the privilege of being here must be concerned not only with growth and expansion for its own sake, but for the better welfare of all Canadians. To accomplish this there must be much more thought given to what this country will be like 25 or 50 years from now. There must be greater co-operation and co-ordination of effort between all levels of government, to ensure that this nation not only continues to prosper, but will do so in an environment which will be pleasant and agreeable for all its citizen. I believe the adoption of this budget is a positive step towards building a better Canada.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I see that there has been given to me the somewhat doubtful honour of talking out the budget. If I had time I should have liked to dwell on some of the iniquities of the government in regard to the fiscal irresponsibility they have shown in connection with the financial mismanagement of the affairs of this country. While the government was steadily pushing the economy up the inflationary spiral, at the same time it was making soft noises telling the people of Canada that things were well and that it would balance the budget.

Finance minister Gordon on June 13, 1963, as reported at page 999 of *Hansard*, in his budget speech said this:

> It is important that we begin to put our national house in order: that we begin to move toward balancing our federal budget under conditions of high employment. We must take the first step in this direction now.

On April 26, 1965 finance minister Gordon, again during the course of his budget speech, had this to say, as reported at page 433 of *Hansard*:

> In practical terms it seems fair to say that after a long period of troublesome deficits the nation's finances are now under firm control.

Then finance minister Sharp in the course of his budget speech on March 29, 1966, as reported at page 3380 of *Hansard*, said:

> To all intents and purposes therefore the budget was in balance this year.

Again finance minister Sharp in his budget speech on December 19, 1966, as reported at page 11331 of *Hansard*, said:

> I want to repeat what I said in this house on September 8 and on other occasions, that we must moderate the rate of increase in new public expenditures. Neither the capacity nor the willingness of Canadians to pay higher taxes should be taken for granted.

And so it goes, Mr. Speaker. My hon. friends on this side of the house have pointed to what was said by the Minister of Finance (Mr. Benson), then president of Treasury Board, and by the Secretary of State for External Affairs (Mr. Sharp) last fall and this spring. In the face of those statements we find that since the government first took office there has been an aggregate of accumulated deficits totalling approximately $1,800 million. This does not

take into account some $3 billion of loans and investments, so-called, which are in reality disguised expenditures of the crown, and which are not taken into calculation in working out what is the financial position of the government.

During the last few weeks, Mr. Speaker, a rash of books have been published. People have been coming out from underneath rocks and from behind fences to write books about the political situation and the political affairs of this country. I suggest that the title of a good book at the present time might well be "The Great Swindle, or How to Wreck the Economy in Five Easy Budgets".

In the short time that is left to me I want to concentrate on the very iniquitous situation which has been brought about by this government in its relations with the provincial administrations. The Liberal party took upon itself the role of the guardian of the principles enunciated in the Rowell-Sirois report. They have constantly taken the position that a duty is cast upon them to strengthen and to centralize the financial position of the federal government and to redistribute the tax wealth of the country by providing provincial governments with fiscal equivalents and other funds in order to carry out certain joint shared programs. Time will not permit me to quote the statements of the ministers of this government to indicate that this is so.

• (9:40 p.m.)

When we refer to medicare, the hospital plan, the old age security plan, the pension plan, the Canada Assistance Plan and so on, we are not discussing here the merits of these plans. They are the law of the country, as we have been reminded by the government time and again. Considering that the federal government pushed the provinces into these various schemes it is late in the day for it to say, "We are going to withdraw."

I have no doubt about what happened, Mr. Speaker, The Minister of Finance and officials of the federal department took a look at a five year projection of the costs of these plans and they drew certain conclusions. It is obvious that they said to themselves, "We have started this; we think the provinces will be hooked in the habit. Now we will back out and leave them to it." There is no doubt, on my reading of section 8 of the Medical Care Act, that the federal government made an unequivocal commitment, or guarantee in one form or another, to pay 50 per cent of the cost of this particular program.

Replying to the hon. member for Winnipeg North Centre (Mr. Knowles) yesterday, the Prime Minister made this unconditional statement, which is found on page 2362 of *Hansard* in the left hand column:

> The hon. member should realize that the law says in five years we will get out of it.

That is an unequivocal, categorical statement. There is no indication that the fiscal points which will be passed to the provinces will in fact cover this 50 per cent. I think this is most unconscionable and inequitable treatment by a government which insisted that the provinces enter into these schemes. Indeed, it made it difficult or almost impossible for the provinces to exercise the financial self determination which provinces ought to exercise. Now the federal government proposes to withdraw from the schemes. If I had no other reason, that reason alone would prompt me to vote for the amendment and the subamendment before this house. I fail to see how any intelligent and reasonable member in the house who has the interest of his country at heart can fail to do anything other than vote against the budget which this government has brought down.

Mr. Speaker: Order, please. The time being 9:45 o'clock p.m. it is my duty pursuant to section 4 of standing order 58 to interrupt these proceedings and forthwith put the question on the amendment to the amendment.

The house divided on the amendment to the amendment (Mr. Saltsman), which was negatived on the following division.

• (9:50 p.m.)

YEAS

Messrs:

Alexander
Asselin
Baldwin
Beaudoin
Bell
Bigg
Brewin
Broadbent
Burton
Caouette
Carter
Coates
Code
Comeau
Crouse
Dinsdale
Downey
Dumont
Fairweather
Flemming
Fortin
Gilbert
Godin
Gundlock
Hales
Harkness
Hees
Howard (Skeena)
Howe
Knowles (Norfolk-Haldimand)
Knowles (Winnipeg North Centre)
Lambert (Edmonton West)
Laprise
La Salle
Latulippe
Lewis
Lundrigan

Division

MacEwan
MacInnis
MacInnis (Mrs.)
MacLean
MacRae
McCleave
McCutcheon
McGrath
McIntosh
McQuaid
Marshall
Mather
Matte
Mazankowski
Monteith
Moore
Moores
Muir (Cape Breton-The Sydneys)
Muir (Lisgar)
Nesbitt
Nielsen
Noble
Nowlan
Nystrom
Orlikow
Paproski
Peddle
Peters
Ricard
Ritchie
Rodrigue
Rondeau
Rose
Saltsman
Schreyer
Simpson
Skoreyko
Southam
Stanfield
Tétrault
Thomas (Moncton)
Thompson (Red Deer)
Valade
Winch
Woolliams
Yewchuk—83.

NAYS

Messrs:

Allmand
Anderson
Andras
Barrett
Basford
Béchard
Beer
Benson
Blair
Blouin
Borrie
Boulanger
Breau
Brown
Buchanan
Caccia
Cadieux (Labelle)
Cafik
Cantin
Chrétien
Clermont
Cobbe
Comtois
Corbin
Côté (Richelieu)
Crossman
Cullen
Cyr
Davis
Deachman
Deakon
Douglas
Drury
Duquet
Durante
Émard
Éthier
Forest
Forget
Foster
Gendron
Gillespie
Givens
Goode
Gray
Groos
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hogarth
Honey
Hopkins
Howard (Okanagan Boundary)
Hymmen
Isabelle
Jamieson
Jerome
Lachance
Laflamme
Lang (Saskatoon-Humboldt)
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lind
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
Mackasey
McBride
McIlraith
McNulty
Mahoney
Major
Manceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Mongrain
Morison
Murphy
O'Connell
Olson
Osler
Otto
Ouellet
Penner
Perrault
Pilon
Portelance
Pringle
Reid
Richard
Richardson
Roberts
Robinson
Rochon
Roy (Timmins)
Roy (Laval)
Serré
Smerchanski
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Okanagan-Kootenay)
St-Pierre
Sulatycky
Sullivan
Thomas (Maisonneuve)
Tolmie
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Wahn
Watson
Weatherhead
Whelan
Whicher
Whiting
Yanakis—127.

Mr. Speaker: I declare the amendment to the amendment lost.

Pursuant to standing orders this house stands adjourned until 2.30 tomorrow afternoon.

It being ten minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Wednesday, November 6, 1968

The house met at 2.30 p.m.

EXTERNAL AFFAIRS AND NATIONAL DEFENCE

SECOND REPORT OF COMMITTEE—PROVISION FOR DISCUSSION

Mr. Ian Wahn (St. Paul's): Mr. Speaker, I have the honour to present the second report of the standing committee on external affairs and national defence.

Mr. G. W. Baldwin (Peace River): On a point of order, Mr. Speaker, with regard to the report presented by the chairman of the standing committee on external affairs and national defence, there has been some discussion by way of the usual channels as to some means of disposing of it. I think it might be in order if I gave the house some views on the matter which might be acceptable.

As this matter came from the house, it has been suggested that the house give consideration to making an order that one supply day, not to include a Wednesday or Friday, be set aside to debate this report of the standing committee on a motion to concur in the said report; that on such motion all standing orders and precedents applicable be waived to the extent necessary to permit an amendment to be moved, as would be the case on a motion to amend a supply motion under standing order 56; and, at 15 minutes before the ordinary time of daily adjournment on such day, Mr. Speaker shall interrupt the proceedings and forthwith put all questions in order to dispose of the said motion and any amendments then before the house.

There have been some discussions on this matter and the house may feel disposed to giving unanimous consent to the suggestion that has just been made. I understand there must be unanimous consent to dispose of the matter in this way.

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, as the hon. member for Peace River has said, there have been discussions in the vein of the proposed order he has suggested. We would be quite agreeable to an order being made in that regard and would look forward to bringing this matter forward, subject to that order, upon the return of the Secretary of State for External Affairs from his Latin American trip. We would be agreeable to having an order made in those terms.

Mr. David Lewis (York South): Mr. Speaker, I know my colleague the hon. member for Winnipeg North Centre (Mr. Knowles) has been discussing this matter with other house leaders, and this was agreed to. Perhaps I misheard the hon. member for Peace River, but I thought he said something about not excluding a Wednesday or Friday. Or were his words "not including Wednesday or Friday"?

Mr. Baldwin: It is one sitting day but excluding Wednesday or Friday, since sometimes that is less than one sitting day.

Mr. Lewis: Now it makes sense. That is what I hoped was meant.

Mr. Speaker: Is this proposal approved by the house and so ordered?

Some hon. Members: Agreed.

[*Translation*]

INCOME TAX

TABLING OF STATEMENT RESPECTING HUTTERIAN BRETHREN COLONIES

Hon. Jean-Pierre Coté (Minister of National Revenue): Mr. Speaker, I should like to table a statement, in English and in French, concerning the application of the Income Tax Act to Hutterian Brethren colonies in Canada, as promised in reply to the questions raised in this house concerning that matter.

[*English*]

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

Some hon. Members: Agreed.

HUMAN RIGHTS

STATEMENT ON NON-DISCRIMINATION POLICY IN NORTHERN DEVELOPMENT PROJECTS

Hon. Bryce S. Mackasey (Minister of Labour): On October 2 the hon. member for

Statement on Non-Discrimination Policy

Hamilton West (Mr. Alexander) asked if the minister would undertake an investigation for the purpose of determining whether the government was guilty of having condoned discriminatory practices against Eskimos in the Panarctic project; second, whether the minister would ascertain the benefits or otherwise derived by Eskimos from the Panarctic project, and whether such persons have been affected by discriminatory practices.

The investigation of the possibility of discrimination against Eskimos by Panarctic was undertaken as promised by the fair employment practices branch of the Department of Labour.

• (2:40 p.m.)

The branch could find no evidence of discrimination against Eskimos practised by Panarctic Oils Limited. It is important to note that no Eskimo lives on Melville Island where the exploratory seismic survey work to find likely drilling sites was being carried on this summer, almost 600 miles north of the Arctic circle. Furthermore, this particular highly technical exploratory work is carried on by United Geophysical, and only highly skilled technicians and personnel can be used.

The government has a commitment from Mr. Godfrey, vice president of Panarctic Oils Limited, that Panarctic will employ as much native help as possible as this project develops. This point was stressed on several occasions by the former minister of Indian affairs and northern development in negotiations resulting in the setting up of this company, and only recently the present Minister of Indian Affairs and Northern Development sought and received assurance from Panarctic on this particular commitment.

As proof of Panarctic's co-operation with the government, arrangements have been made for six Eskimos to be brought south to undergo training this fall and winter for work on the crew of the first oil drilling rig which is scheduled to commence operations around February 25, 1969. It should be noted that a drilling crew normally consists of about 20 men, of which at least half must be men with many years' experience.

The training course, in a drilling industry school, will be conducted under the auspices of the Alberta Petroleum Industries. It will commence on November 25 and will continue until Christmas. Arrangements are being made for further on the job training with actual drilling crews until the drilling company hired by Panarctic begins operations with one drilling rig late in February.

[Mr. Mackasey.]

Mr. Godfrey also informs us:

> In 1969 it is likely that a further geophysical program will be conducted and we are presently discussing with the geophysical company the possibility of training some Eskimos this winter for work in the Arctic in 1969. As the tempo of Panaractic's program increases, we sincerely hope to employ as many local inhabitants as we are able to qualify for employment.

I wish to assure the hon. member that I have instructed the fair employment practices branch to continue to investigate the situation in the far north in the coming months, in co-operation with all other appropriate government agencies. We must ensure that discrimination in any form against the native population, in employment or in training, whether studied or merely due to negligence, shall not take place.

The affirmative action to which the Panarctic Oils Limited group is now committed is commendable, and a model for employers in the north.

Mr. Lincoln M. Alexander (Hamilton West): I am pleased the minister has seen fit to give me a reply to the question which was asked of him. I should just like to put this house on notice that we must at all times be concerned about the grievances which are now coming to light every day among the different segments of this vast community. At no time can we afford to let these grievances lie dormant, because while lying dormant they can become aggravated and when it becomes necessary to find solutions the task is much more difficult, if indeed it is possible to find solutions.

I am pleased also to hear the government reaffirm the policy under the northern development program which was instituted during the Diefenbaker régime. One must keep in mind that the Eskimo has proven himself adaptable; he has shown evidence of this at Rankin Inlet. We must continue to encourage his acquisition of further mechanical skills, because the Eskimo is adaptable by nature and capable of becoming a great productive force. I therefore trust the minister will see to it that this program continues to be of benefit to the Eskimo population, and that the Eskimos take advantage of it to the greatest possible extent since in the long run this will be to the advantage of all Canadians.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I am certain all members of the house will greet with satisfaction the statement of the minister following his inquiries, to the effect that no discrimination exists in the new oil exploration program just beginning in the far north. I suggest to him we should not have to make such inquiries every time a new project is entertained or begun in the northern part of Canada. I suggest that he discuss with his colleagues the advisability of writing a clause into any contract or concession which the government concludes with companies that intend to work in the northern parts of the country, spelling out clearly that it is government policy that there shall be no discrimination based on race, colour or creed.

I hope, Mr. Speaker, we will be more successful with the new projects than the government apparently has been with the power company which it owns and operates in the Yukon and Northwest Territories, which employs very few Indians and Eskimos. I would like to mention one more thing before I finish. I hope the government will take steps to see that the kind of discrimination in the field of social relations which occurred on the Dew Line project, in the Whitfield case with the Marconi Company, cannot happen again. In other words companies should know it is government policy that there be no discrimination on the job, or in any other way, in northern Canada.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to say very briefly how pleased I was to hear the statement of the hon. Minister of Labour (Mr. Mackasey) on the steps taken by Panarctic Oil Limited which had at least ten Eskimos come south to take training courses during the fall and winter to better prepare them for the jobs the company can offer them in that area of the Arctic.

Having had the opportunity of visiting a few Eskimo centres a few years ago, I saw how easily the Eskimos learned to handle the mechanical equipment the white people use in the performance of certain jobs.

I therefore feel that the Panarctic Oil Limited decision is wise and should be followed by all the other companies operating up north.

[*English*]

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

COMPANY OF YOUNG CANADIANS

Question No. 70—**Mr. Coates:**

1. What firm or firms were retained by the Company of Young Canadians as consultants and what was the total paid to the firm or firms of consulting and professional fees for the fiscal year 1967-68?

2. How many individuals on the staff of the Company of Young Canadians received salaries of $10,000 or more, what are the names of the individuals and what were the responsibilities of each?

3. What was the total amount paid for advertising in the various communication media and what firm or firms were retained by the C.Y.C. for these purposes and what did each receive for their services?

4. What was the deficit of the C.Y.C. for the fiscal year 1967-68, and how does the government intend to cover this deficit?

5. What was the total amount paid to volunteers of the C.Y.C., how many volunteers were involved in the Company and what are the names of the ten volunteers who received the largest allowances and what was the amount in each instance?

6. What was the total of expenses for the Executive Director of the Company of Young Canadians for the fiscal year 1967-68, and what is his annual salary?

Hon. Gérard Pelletier (Secretary of State): I am informed by the Company of Young Canadians as follows: 1. The following firms were retained by the Company of Young Canadians in a consulting and professional capacity in the fiscal year 1967-68: Gowling, MacTavish, Osborne & Henderson; P. S. Ross & Partners; Société de Mathématiques Appliquées Inc.; Aubrey E. Golden: Human Behaviour Research Group; Gille Desroches et Associés Inc.; Berger, Tidsdall, Clark and Lesly, Ltd.; Conseil des Oeuvres de Montréal; Touche, Ross, Bailey & Smart; Welby Computer Services Ltd. The total amount paid to these firms in consulting and professional fees was $87,121.93.

2. Eleven staff members received salaries of $10,000 or more: Alan Clarke, executive director; Stewart Goodings, assistant director; Richard Salter, director of operations; Martin Béliveau, associate director; Ben Baich, project staff, Alberta; Marty Sawma, internal education; Geoff Cue, project staff, B.C.; Campbell Mackie, program staff, Ottawa; Richard Gaudreault, co-administrator; Michel Coupal, translator; André Leclerc, director of information.

Questions

3. The Company of Young Canadians did not pay anything in the fiscal year 1967-68 for advertising in the various communication media and it retained the services of no firms for this purpose. Three television commercials were made for a total cost of $4,000. These commercials were shown on the two major television networks, C.B.C. and C.T.V., and on private stations as public service ads, at no cost to the Company.

4. The deficit of the C.Y.C. as shown by the statement of income and expenses for the year ended March 31, 1968 was $94,345.00. The company intends to recoup this deficit in its current year of operations, and for the three months ended June 30th, 1968, the economies effected have resulted in an excess of receipts over disbursements of approximately $40,000.

5. The total amount paid to volunteers of the C.Y.C. in the fiscal year 1967-68 was $526,904. The number of volunteers who were paid through the payroll was 293.

The following names of the ten volunteers who received the largest monthly allowances and the amounts are:

Name	Living	Personal	Special	Total
	$	$	$	$
Gerry Fatels	215.18	35.00	35.00	285.18
Serge Loyer	265.00	35.00	35.00	335.00
Albert Burger	260.00	35.00	35.00	330.00
Edouard Casaubon	360.00	35.00	85.00	480.00
Yves Brunet	362.00	35.00	85.00	482.00
F. Bertrand Ede	180.00	35.00	135.00	350.00
Francine Carrières	220.00	35.00	35.00	290.00
L.-P. Aubert	360.00	35.00	35.00	430.00
Jean Roy	250.00	35.00	—	285.00
F. Marchand	250.00	35.00	—	285.00

6. The total of expenses for the executive director of the Company of Young Canadians for the fiscal year 1967-68 was $3,913.85. His annual salary as set by order in council was $20,000.

CHARGES AGAINST SEAMEN'S UNION

Question No. 105—**Mr. Howard (Skeena):**

1. Since January 1, 1963, were any charges laid against the Seafarer's International Union or any officer or member thereof or against any person to the effect that Section 268 of the Canada Shipping Act had been allegedly contravened?

2. By whom were such charges laid, upon what dates and what are the names of each person or organization so charged?

3. What has been the disposition of each such charge and the date thereof?

4. What costs were incurred by the Government of Canada with respect to (a) obtaining information leading up to the charges being laid (b) the actual laying of the charges (c) witness fees (d) expenses of witnesses (e) transportation (i) of witnesses (ii) R.C.M. Police Officers, and (iii) others than those mentioned in (i) and (ii) hereof (f) telephones (g) telegrams (h) legal fees (i) matters other than those referred to in (a) to (h) inclusive?

5. How many hours were used by R.C.M. Police officers in dealing with these charges and what is the estimate of wages paid to such officers for such activities?

6. Were any witnesses brought from Vancouver and, if so, did one or more of them put in an expense claim for silk or nylon stockings and, if so, was the claim accepted and paid?

[Mr. Pelletier.]

Hon. G. J. McIlraith (Solicitor General): 1. Yes. 15 members of the seafarer's International union were charged under section 408 of the Criminal Code of Canada that they conspired to persuade great lakes seamen to absent themselves from duty in violation of section 268 of the Canada Shipping Act.

2. Corporal J. L. G. Charron, R.C.M. Police, on January 30, 1964. There were two informations, the first charging William Glascow, and the second charging Harold Chamberlain Banks, Leonard J. McLaughlin, Harvey McKinnon, Thomas Piercey, Fred Southern, John Royce, Rene Turcotte, Paul Gagné, Henning Jacobson, Gilbert Gauthier, John McQuaig, Gilbert Johnson, Raymond Doucet, and Donald Swaite.

3. (a) Southern, Turcotte, Jacobson, and Johnson were dismissed by Sessions Judge Emile Trottier on June 29, 1965; (b) McLaughlin, McKinnon, Piercey, Royce, Gagne, Gauthier, McQuaig, Doucet, and Swaite were dismissed by Sessions Judge Emile Trottier on June 22, 1965; (c) The charge against Glascow was withdrawn on August 10, 1967; (d) The charge against Banks is still outstanding.

4. (a) $17,038.97; (b) $2,923.44; (c) Information not available; (d) $9,854.20; (e)(i) $1,038.00; (ii) $4,204.20; (iii) Nil. (f) $550.00; (g) $1,712.23 for telex service including man hours (approximately); (h) $90,796.08; (i) $1,953.00.

5. 2,444 hours in service of summonses, subpoenas and attending trial for an estimate cost of $7,505.41.

6. Yes. There is no record of a Vancouver witness putting in an expense claim for silk or nylon stockings.

BOOK "CANADIAN NATIONAL RAILWAYS"

Question No. 121—**Mr. Fortin:**

1. What amount did Colonel Stevens receive for writing the book, "Canadian National Railways"?

2. Was this book published in the French language and, if not, has the C.N.R. taken steps to publish this book in French?

3. When will this book be published in French?

Hon. Paul Hellyer (Minister of Transport): The management of Canadian National Railways advises as follows: 1, 2 and 3. Colonel Stevens was employed by the company to supervise the research into and the collection of historical material related to the company and its predecessor companies dating back to 1832. This material, which is kept in the company's library, is made available to and is frequently consulted by outside railway and transport researchers. Following the collation of the historical data Colonel Stevens, on his own, and with the permission of the company, wrote two books covering the company's history. The publication of these two books was solely the undertaking and the responsibility of the author who made arrangements with publishers. (It is our understanding that the books have not as yet been published in French.) The specific arrangements concerning the publication were between the author and the publisher. In so far as the historical data is concerned, the company is continuing to collect and collate historical material which, together with that already assembled, is available to researchers. When the collection of material is completed and placed on a current basis and the company decides to make any publications, then these will be in both languages.

VISITS BY FRENCH GOVERNMENT OFFICIALS

Question No. 273—**Mr. Coates:**

1. How many officials of the Government of France have made special visits to Canada since April 1, 1963?

2. What are the names of these officials and in each instance, what was the purpose of the visit to Canada?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. French citizens who are admissible to Canada and who do not fall within the immigrant category may enter this country without a visa provided they hold a valid passport. For this reason, even though the receiving country should normally be advised of official visits planned by foreign officials, the Canadian government does not keep a list of French government officials who have come to Canada on special visits since 1963.

2. Not applicable.

POOL PAYMENTS FOR GRAIN

Question No. 304—**Mr. Dumont:**

1. What does the Canadian Wheat Pool pay the Western farmers for different categories of grain?

2. What is this same grain worth at the elevators in Fort William, Port Arthur, Sorel, Trois-Rivières and Quebec?

[*Translation*]

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): 1. Under the Canadian Wheat Board system of marketing, farmers receive an initial payment at the time of delivery and the balance when the delivery pool for the crop year is closed. Final payments for the 1966/67 crop year pool for oats and barley were announced on March 12, 1968, and for wheat on March 27, 1968. The total price realized by producers on various grades of these grains basis in store the Lakehead were:

Questions

PRICES REALIZED BY PRODUCERS BASIS IN STORE FORT WILLIAM/PORT ARTHUR—1966/67 CROP YEAR

Cents Per Bushel

Wheat		Oats		Barley	
No. 1 Northern	198.7	No. 2 Canada Western	83.4	No. 3 C.W. Six-Row	129.4
No. 2 Northern	196.1	No. 3 Canada Western	80.3	No. 2 C.W. Two-Row	129.4
No. 3 Northern	191.7	Extra No. 1 Feed	80.3	No. 3 C.W. Two-Row	125.4
No. 4 Northern	187.8	No. 1 Feed	79.5	No. 1 Feed	120.8
No. 5 Wheat	182.7	No. 2 Feed	76.3	No. 2 Feed	118.6
No. 6 Wheat	179.9	No. 3 Feed	73.0	No. 3 Feed	115.9

Individual producers received this payment less transportation costs which vary according to the distance between their delivery point and the Lakehead and less handling charges of 4½ cents per bushel for wheat and barley and 3½ cents per bushel for oats.

2. On October 15, the price at which the Canadian Wheat Board was offering wheat basis in store the Lakehead and St. Lawrence Ports including Trois-Rivières, Sorel and Quebec was:

	Lakehead	St. Lawrence Ports
	$	$
No. 1 Northern	1.98	2.11¼
No. 2 Northern	1.93½	2.06¾
No. 3 Northern	1.92⅛	2.05⅜
No. 4 Northern	1.86	1.99¼
No. 5 Wheat	1.83	1.96¼

The price at which the Canadian Wheat Board was offering No. 1 Feed Oats and No. 2 Feed Barley at the Lakehead was 85¾ cents and $1.08¼ per bushel, respectively. The Board does not offer oats and barley at points east of the Lakehead. The price at which the grain trade was offering feed oats and barley, prior to the deduction of feed freight assistance, was as follows on October 15:

	Quebec City	Trois Rivières
	(Per Bushel In Store)	
	$	$
No. 1 Feed Oats	.98	.98
No. 2 Feed Barley	1.20⅝	1.21⅜

No spot quotations basis in store Sorel are available.

[*English*]

DISCHARGE OF SEWAGE FROM SHIPS, ESQUIMALT HARBOUR

Question No. 371—**Mr. Anderson:**

What steps have been taken to provide federal ships, including naval vessels, using Esquimalt harbour with holding tanks to eliminate the discharge of raw sewage into the harbour?

[Mr. Pepin.]

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed that all the ships operated by the civil departments and using Esquimalt harbour regularly, except one R.C.M.P. patrol boat, are equipped so that they do not discharge raw sewage. Two older ships operated by the Department of Energy, Mines and Resources are not so equipped, but normally they do not use this harbour. The submarines and the oceanographic research ships *Quest* and *Endeavour* are the only naval vessels fitted with holding tanks.

TENDERS FOR MAIL DELIVERY, PLACENTIA, NFLD.

Question No. 389—**Mr. Carter:**

Were tenders called for the recently awarded mail delivery contract for Placentia and St. Mary's Bay, Newfoundland and, if not, what was the basis of the award?

Hon. Eric W. Kierans (Postmaster General): No.

Note: The service which formerly operated between St. Vincent's (St. Mary's Bay) and the main highway (connecting with the St. John's and Argentia Highway Service) was rearranged to operate between St. Vincent's and Whitbourne via Placentia, by virtue of an arrangement with the contractor.

PAYMENTS TO ANDREW PAUL, B.C. INDIAN

Question No. 397—**Mr. Howard (Skeena):**

For each fiscal year since 1949-50, how much money by individual payment, if any, was paid to, or on behalf of, the late Mr. Andrew Paul, a Native Indian from British Columbia, and what was the reason for the expenditure in each case?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Andrew Paul has been deceased since July 28, 1959. Consequently there is no longer any information available within the department to reply to this question.

*CASH PAYMENT FOR FARM STORED GRAIN

Question No. 406—**Mr. Southam:**

Is the government giving consideration to a policy to establish cash payments at the rate of one cent, per bushel, per month, for farm stored grain and, if so, when will this legislation be presented to the House.

Hon. Otto E. Lang (Minister without Portfolio): Mr. Speaker, the answer to question 406 is no.

ANALYSIS OF ABORTION PILLS

Question No. 434—**Mr. Yewchuk:**

Has the Department of National Health and Welfare refused a request to analyse in its laboratories various abortion pills feared dangerous?

Hon. John C. Munro (Minister of National Health and Welfare): The Department of National Health and Welfare receives each year a number of requests from individuals asking that an analysis be carried out on a specific product. Since no action can be taken on the results of such analysis, the individuals are informed that the Department of National Health and Welfare is not in a position to perform such a service. However, if there appears to have been a violation of the Food and Drugs Act or regulations, an investigation is initiated and any official samples obtained during such investigations are, of course, analyzed in departmental laboratories.

In February, 1968, the president of the Association for the Modernization of Canadian Abortion Laws, wrote to the Department of National Health and Welfare indicating that she had in her possession three types of pills "which are being given to women in the Ottawa-Hull area in conjunction with certain injections to induce abortions." The association requested that the pills be analyzed.

On the basis of all the information available, there did not appear to be any violation of the Food and Drugs Act or regulations.

Accordingly, no analysis of these pills were carried out in the laboratory of the food and drug directorate.

PROVINCIAL PAYMENTS UNDER ASSISTANCE PLAN

Question No. 450—**Mr. Clermont:**

What were the amounts paid to each province under the Public Assistance Plan of Canada in 1967?

[*Translation*]

Hon. John C. Munro (Minister of National Health and Welfare): Federal payments to the provinces under the Canada Assistance Plan during the fiscal year 1967-68:

	$
Newfoundland	17,901,873
Prince Edward Island	1,738,858
Nova Scotia	10,263,995
New Brunswick	7,185,018
*Quebec	102,602,470
Ontario	100,287,774
Manitoba	15,571,938
Saskatchewan	13,403,926
Alberta	26,538,313
British Columbia	32,719,792
	328,213,957

* Payments to Quebec were made under the Established Programs (Interim Arrangements) Act through the Department of Finance.

[*English*]

PROSECUTIONS FOR OVER-QUOTA GRAIN DELIVERIES

Question No. 459—**Mr. Mazankowski:**

What are the number of violations and prosecutions for the 1967-68 crop year, with respect to over quota delivery of grain?

Hon. Jean-Luc Pépin (Minister of Industry, Trade and Commerce): In the 1967/68 crop year, The Canadian Wheat Board was informed of 272 violations and breaches of The Canadian Wheat Board Act or regulations in respect of the over-quota deliveries of grain. Prosecutions were instituted in each case. One hundred and fifty-one persons were prosecuted and in some cases more than one charge was laid against a single person.

UNCLAIMED INCOME TAX DEDUCTIONS

Question No. 494—**Mr. Dionne:**

What is the amount of Income Tax deducted at source, in accordance with the Income Tax Act, which has not been claimed by Canadian taxpayers during 1966 and 1967?

Hon. Jean-Pierre Côté (Minister of National Revenue): Computation of unclaimed tax deductions for the 1966 taxation year: Tax deducted at source from employees on account of tax payable under the Income Tax Act (Canada) and under the income tax acts of agreeing provinces, $3,061,262,734.24. Credit allowed on assessment of individual income tax returns for tax deducted at source, $2,986,608,419.84. Remainder represents the amount of tax deductions remitted by em-

ployers and not claimed by employees by means of the filing of an individual tax return, $74,654,314.40.

The amount unclaimed in respect of the 1967 taxation year is not available. Statements will be prepared as at December 31, 1968.

WAGE EXPENDITURES, CAPE BRETON HIGHLANDS PARK

Question No. 497—**Mr. Muir (Cape Breton-The Sydneys):**

What amount was expended in wages at the Cape Breton Highlands National Park in each year since 1958?

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

1958-59	Year ending	31 Mar 59	$ 335,564
1959-60	" "	31 Mar 60	329,786
1960-61	" "	31 Mar 61	453,097
1961-62	" "	31 Mar 62	572,574
1962-63	" "	31 Mar 63	419,157
1963-64	" "	31 Mar 64	349,088
1964-65	" "	31 Mar 65	439,961
1965-66	" "	31 Mar 66	490,476
1966-67	" "	31 Mar 67	439,828
1967-68	" "	31 Mar 68	416,574
			$4,246,105

C.B.C. TIME GIVEN QUEBEC PARTIES

Question No. 513—**Mr. Caouette:**

For the period October 10 to 15, 1968, inclusive, how much time was alloted by the CBC to (a) the Parti Québécois (b) the Ralliement Créditiste, during information programs and during free programs?

Hon. Gérard Pelletier (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: (a) French networks: approximately 5 hours and 41 minutes. English networks: approximately 3 hours and 5 minutes. (b) French networks: approximately 1 hour and 30 minutes. English networks: approximately 7 minutes.

APPLICATIONS FOR PARDONS

Question No. 539—**Mr. Muir (Cape Breton-The Sydneys):**

1. How many applications have been received by the Solicitor General for pardons, from citizens who at some period in their lives committed an offence under the Criminal Code but now feel their citizenship since that time justifies the elimination of that criminal record?

2. How many of the applications for pardon have been approved, how many have been rejected and how many are presently under consideration?

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

APPLICATIONS	1960	1961	1962	1963	1964	1965	1966	1967	Up to Sept. 30, 1968	TOTAL
Received*	21	18	21	15	45	70	152	256	158	756
Approved	4	0	8	9	15	9	20	40	65	170
Rejected	10	12	26	4	24	14	29	84	64	267
Under consideration	—	—	—	—	—	—	—	—	87	87

* Numbers in this column include applications and correspondence relating to expunging of criminal records. Many applicants, on being informed of the procedure and thorough investigation that is made, either abandoned their applications or failed to provide the information required to make a decision.

*C.M.H.C. FUNDS FOR CONDOMINIUM HOUSING

Question No. 544—**Mr. Goode:**

Will Central Mortgage and Housing Corporation use any of the recently allotted funds for condominium financing and, if so, how much?

Hon. James Richardson (Minister without Portfolio): Mr. Speaker, the answer to question 544 is yes. Applications for the financing of condominium projects will be considered along with applications for other types of housing. No specific amount has been set aside for condominium products.

PROMOTION COST, WILDLIFE SERVICE PAMPHLET

Question No. 545—**Mr. Paproski:**

1. What is the total cost for 1968-69 of the advertising program in all media on behalf of the Canadian Wildlife Service pamphlet, "Hinterland Who's Who"?

2. How many times in 1968-69 has the above pamphlet been advertised on television?

3. On how many stations in Canada has it been shown in the period in question and how many times on each station?

4. What has been the cost of television advertising of this pamphlet to date?

5. Was a similar television campaign put on in the United States on behalf of the above-named

pamphlet and, if so, what has been the cost to date?

6. How many requests for the pamphlet have been received in (a) Canada (b) the U.S.A.?

7. What was the total cost of pamphlets sent out?

8. How many persons in the Department of Indian Affairs and Northern Development worked on the production of the pamphlet in question and what was the total cost of production?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. Nil. There is no advertising program for the "Hinterland Who's Who" series of leaflets (4 pages, 8½" x 11") on Canadian wild animals. The Canadian Wildlife Service has produced eight one-minute television clips in English and French and has supplied them to television stations across the country. The clips are telecast as a public service without charge. The cost of producing one clip in French and English is about $1,625 using footage from a stock-shot library.

2. Most stations do not report their showings, but fifteen stations reported showing the clips 1,260 times in the four months April to July. The estimated value of this time provided free as a public service by media, is $152,698.

3. CFTK, Terrace, British Columbia, 54 showings; CBC-TV, Edmonton, 8 showings; CHRE-TV, Regina, 180 showings; CKCH-TV, Regina, 60 showings; CJAY-TV, Winnipeg, 197 showings; CBC-TV, Winnipeg, 26 showings; CKCO, Kitchener-Waterloo, 48 showings; CJOH-CJSS, Ottawa, 25 showings; CFCF-TV, Montreal, 77 showings; CBMT, Montreal, 15 showings; CBVT, Quebec City, 61 showings; CJPM-TV, Chicoutimi, 126 showings; CJCH-TV, Halifax, 200 showings; CBYT, Corner Brook, Newfoundland, frequent use, but no total available; CJON, CJOX, CJCN, St. John's, Newfoundland, 184.

4. Nil.

5. No.

6. From April to September 1968, a total of 18,998 requests for information on wildlife (10,480 in French) were answered by the Canadian Wildlife Service and 1,099 came from the United States. Of these inquiries, 4,170 mentioned the television clips and specifically requested leaflets in the "Hinterland Who's Who" series, but few were from the United States.

7. From April to September about $3,720.

8. Production of the leaflets required a small percentage of the time of one information officer and one editor. The cost of producing the 105,700 leaflets sent out between April and September 1968 was $3,720, or about 3¢ each.

INCREASED DISABLED PERSONS ALLOWANCES

Question No. 549—**Mr. Muir (Cape Breton-The Sydneys):**

What consideration has been given by the government to the possibility of increasing allowances for the disabled under the Disabled Persons' Act?

Hon. John C. Munro (Minister of National Health and Welfare): No consideration is being given to increasing allowances under the Disabled Persons Act as provision is made under the Canada Assistance Plan for federal sharing in supplementary payments to persons who require additional aid, or alternatively for the provinces to provide basic assistance for disabled and other persons in need through general assistance measures. No federal ceiling is placed on the amounts of aid granted under either of these alternatives.

*DREDGING OF MONTMAGNY BASIN

Question No. 557—**Mr. Lambert (Bellechasse):**

1. Has the Minister of Transport been made aware of difficulties of communication presently existing between Montmagny and Ile-aux-Grues as a result of the lack of dredging in the Montmagny Basin?

2. Having regard to the economic importance of migratory bird hunting, particularly on Ile-aux-Grues, will the Minister of Transport have the Montmagny Basin dredged in the near future?

[*Translation*]

Hon. James Richardson (Minister without Portfolio): Mr. Speaker, here is the answer divided into two parts: 1. No.

2. Any decision about the dredging comes under the responsibility of the Department of Public Works.

[*English*]

FEDERAL ASSISTANCE FOR OLYMPIC GAMES

Question No. 576—**Mr. Coates:**

1. What was the total amount of assistance made available by the federal government to participants in the Olympic Games and how were these monies provided?

2. How many individuals from Canada participated in the Olympic Games?

Hon. John C. Munro (Minister of National Health and Welfare): 1. The federal government through the fitness and amateur sport program of the Department of National Health and Welfare provided a total of $281,609 to

assist sports governing bodies in the selection of the 1968 Canadian summer Olympic team, in providing pre-training for the team and participating in the 1968 Olympic summer games in Mexico city. Details of federal aid are as follows:

	National Championships $	Pre-Olympic Training $	Participation in Olympics $
Canadian Olympic Association	—	20,000	73,485
Fencing	4,353	1,395	
Gymnastics	6,429	3,510	
Track and field	36,393	11,828	
Weightlifting	5,406	—	
Wrestling	7,186	17,750	
Cycling	4,258	—	
Equestrian	1,873	7,828	
Oarsmen	5,100	—	
Shooting	10,782	—	
Swimming and diving	24,820	9,908	
Yachting	8,314	5,319	
Canoeing	15,672	—	
	130,586	77,538	73,485

2. The Canadian Olympic team was made up of 136 athletes and 32 officials for a total of 168.

CAPE BRETON—SUPPORT FOR TOURIST INDUSTRY BY DEVELOPMENT CORPORATION

Question No. 588—**Mr. Muir (Cape Breton-The Sydneys):**

1. To date, what financial support has been given by the Cape Breton Development Corporation to the development and expansion of the tourist industry?

2. To what groups or individuals has this financial support been provided and what was the amount involved in each case?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): The Cape Breton Development Corporation makes an annual report and does not otherwise disclose the details of its operations.

FEDERAL POTATO SUBSIDIES

Question No. 594—**Mr. Clermont:**

1. How many commercial potato producers have applied for benefits under the federal aid program announced by the Minister of Agriculture on March 27, 1968, in (a) Canada (b) Quebec (c) the County of Papineau in Quebec?

2. What is the total amount of subsidies under this program in (a) Canada (b) Quebec (c) the County of Papineau in Quebec?

[Mr. Munro.]

3. What is the average number of acres allowable per potato producer applying for a subsidy?

Hon. H. A. Olson (Minister of Agriculture):

1. To date: (a) 10,975; (b) 4,029; (c) 76.

2. (a) $2,348,850; (b) 737,075; (c) 21,387.50.

3. 8.5 acres.

*JAMES EARL RAY—COURT ACTION ON PASSPORT APPLICATION

Question No. 642—**Mr. Woolliams:**

1. Has any person, persons and/or corporation been charged in reference to the application granting Mr. James Earl Ray a Canadian passport or passports?

2. What charge has been laid?

3. What court is this charge now before?

Hon. G. J. McIlraith (Solicitor General): Mr. Speaker, the answer to part 1 of this question is yes; Mr. Henry Moos, Kennedy Travel Bureau, 296 Queen Street West, Toronto, Ontario. The answer to part 2 is that Mr. Moos was charged that he did sign a declaration without the due administration of the declaration, contrary to section 12 of the Commissioners For Taking Affidavits Act, R.S.O. 1950, chapter 57. The answer to part 3 is that the information was laid before Mr. B. Jeffery, J.P., Toronto, Ontario on October 4, 1968. The summons served on Mr. Moos is returnable at magistrate's court, Toronto on November 13, 1968.

QUESTIONS PASSED AS ORDERS FOR RETURNS

EXECUTIVE ASSISTANTS TO SENIOR PUBLIC SERVANTS

Question No. 40—**Mr. Lambert (Edmonton West):**

1. In the Public Service how many persons occupy the rank of deputy minister, associate deputy minister or the equivalent and how many such persons have an executive assistant or equivalent on service establishment?

2. What is the normal salary range for such executive assistants?

3. Similarly how many persons occupy the rank of assistant deputy minister or its equivalent and how many executive assistants or equivalent on service establishment?

4. What is the normal salary range of the latter executive assistants?

Return tabled.

CLASSIFICATION OF EXECUTIVE ASSISTANTS TO SENIOR PUBLIC SERVANTS

Question No. 41—**Mr. Lambert (Edmonton West):**

With reference to Question No. 955 of last Session, how many persons by individually named departments or agencies discharge the functions of executive assistants to (a) deputy ministers (b) assistant deputy ministers of their associates or equivalent in rank as the case may be and which of these are classified at (a) the AS 4 level—(b) the AS 5 level—(c) above the AS 5 level?

Return tabled.

CAPITAL RETURNS AND PROFITS OF CROWN CORPORATIONS

Question No. 99—**Mr. Fortin:**

1. For each of the Proprietary Crown Corporations, what was in 1967, the return on the capital invested?

2. For each of the said Corporations, what was the profit in 1967 and what part of such profit was paid to the government?

Return tabled.

CONSTRUCTION OF ACCESS ROADS

Question No. 192—**Mr. Fortin:**

1. How many forest access roads were subsidized by the government in 1965-66-67-68 in the federal constituency of Lotbinière?

2. How many miles of road were built (a) in each province (b) in the federal constituency of Lotbinière?

3. What amount was spent for this purpose (a) in each province (b) in the federal constituency of Lotbinière?

4. What amount will be spent for each province and for the federal constituency of Lotbinière in 1968-69?

Return tabled.

COMPANY OF YOUNG CANADIANS—CONSULTING FEES

Question No. 275—**Mr. Diefenbaker:**

1. In the Report of the Company of Young Canadians for 1967-68 there is an item that $489,019 was expended for consulting and professional fees during the year.

2. What are the names and addresses and amounts paid to each of the recipients of such payments?

Return tabled.

POST OFFICE VEHICULAR AND HIGHWAY SERVICES

Question No. 443—**Mr. Mather:**

1. How many temporary arrangements have been entered into for vehicular and highway services by the Post Office Department in 1967 and for the first six months of 1968?

2. How many signed contracts for such services have been made in the same period?

3. What has been the cost of (a) the temporary arrangements, per arrangement (b) the signed contracts, per contract?

Return tabled.

NATIONAL STANDARDS ORGANIZATION

Question No. 552—**Mr. Flemming:**

1. Is the government considering the setting up, through some department, of a completely new national organization on standardization to be known as The Standards Council of Canada and, if so, is it proposed that such a Council will take over the duties which have been carried on by the Canadian Standards Association, which has been acting as Canada's National Standards body for 49 years, under charter from the Government of Canada?

2. Has the government received complaints relative to the efficiency and performance of the Canadian Standards Association which would cause such a step to be considered?

3. Does the Canadian Standards Association receive a grant from the Government of Canada and, if so, what is the amount of the grant for the present fiscal year and for each of the last five years?

4. What is the estimated initial and annual expenditure of the proposed Standards Council of Canada and what portion of this expenditure will be supplied directly by the Government of Canada and what amounts will be supplied by others and by whom?

5. Has the Government of Canada investigated what additional funds would be required to enable the Canadian Standards Association to provide full and complete services in connection with national and international standardization and

related certification services and, if so, what is this amount?

6. What will be the remaining functions of the Canadian Standards Association if the Standards Council of Canada is formed to take its place?

7. Is it contemplated that the Canadian Standards Association will have a part in the operations of the Standards Council?

8. Does the government not consider it advisable for the purpose of improving its financial position to use and develop the Canadian Standards Association as the appropriate organization to continue to carry out the responsibilities rather than setting up a duplication of same at greater expense?

Return tabled.

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I rise on a point of privilege. Question No. 200 in my name has been standing on the order paper since September 20. In looking through this question I can see no reason for such tardiness on the part of the government in answering. I do not think this statistical information should be hard to secure and, I would appreciate having an answer in the near future.

[*Translation*]

MOTIONS FOR PAPERS

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notices of motions Nos. 28 and 30 are agreeable to the government, subject to the usual reservations with regard to confidential papers and authorization from government authorities concerned.

Would Your Honour be good enough to call notices of motions Nos. 24, 27 and 31?

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

[*English*]

PREVENTION OF CRIME

Motion No. 28—**Mr. Valade:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all letters, telegrams and other communications exchanged between the Government of Canada, or a representative thereof, and the Government of the Province of Quebec concerning the measures to be taken for the prevention of crime in Canada.

Motion agreed to.

REPRESENTATIONS FROM MANITOBA ON INDIAN AFFAIRS REORGANIZATION

Motion No. 30—**Mr. Schreyer:**

That an order of the House do issue for copies of all correspondence received by the Minister of Indian Affairs and Northern Development from persons or organizations within the Province of Manitoba relative to the re-organization of the Department of Indian Affairs and Northern Development.

[Mr. Flemming.]

Motion agreed to.

INTERDEPARTMENTAL ON GAME LAWS RELATING TO INDIANS

Motion No. 24—**Mr. Howard (Skeena):**

That an order of the house do issue for a copy of the report of the interdepartmental committee, the establishment of which was announced on March 29, 1965, which studied the question of fish and game laws as they relate to native Indians.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I would ask the hon. member to be kind enough to withdraw his motion, because it deals with privileged papers within the department and, unfortunately, we cannot table them in the house.

[*English*]

Mr. Frank Howard (Skeena): Mr. Speaker, that suggestion might be acceptable were it not for the fact that the minister has already produced one of the interdepartmental documents pursuant to a previous motion for papers. I do not think I can accede to the request; therefore I must ask that the question be put.

Mr. Speaker: Is it the wish of the hon. member that the matter be transferred for debate or that the question be put at this time?

Mr. Howard: Question.

The house divided on the motion (Mr. Howard, Skeena) which was negatived on the following division:

YEAS

Messrs:

Alexander	Flemming
Baldwin	Forrestall
Beaudoin	Fortin
Bell	Gauthier
Bigg	Gilbert
Brewin	Gleave
Broadbent	Godin
Burton	Gundlock
Carter	Hales
Coates	Harkness
Code	Howard (Skeena)
Comeau	Howe
Crouse	Knowles (Norfolk-Haldimand)
Dinsdale	Korchinski
Dionne	Lambert (Edmonton West)
Downey	
Dumont	

Laprise
La Salle
Latulippe
Lewis
MacEwan
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.) (Vancouver-Kingsway)
MacLean
MacRae
McCleave
McCutcheon
McGrath
McIntosh
McQuaid
Marshall
Mather
Mazankowski
Monteith
Moore
Moores
Muir (Cape Breton-The Sydneys)
Muir (Lisgar)
Nesbitt
Nielsen
Noble
Nowlan
Orlikow
Paproski
Peddle
Peters
Ricard
Ritchie
Rodrigue
Rondeau
Rose
Schreyer
Schumacher
Simpson
Skoreyko
Southam
Stanfield
Tétrault
Thomas (Moncton)
Thompson (Red Deer)
Valade
Winch
Woolliams
Yewchuk—80.

NAYS

Messrs:

Allmand
Anderson
Andras
Barrett
Béchard
Benson
Blouin
Borrie
Boulanger
Breau
Brown
Buchanan
Cadieux (Labelle)
Cafik
Cantin
Chappell
Chrétien
Cobbe
Comtois
Corbin
Côté (Richelieu)
Côté (Longueuil)
Crossman
Danson
Davis
Deachman
Deakon
De Bané
Douglas
Drury
Duquet
Durante
Émard
Éthier
Forest
Forget
Foster
Gendron
Gillespie
Givens
Goode
Gray
Groos
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hogarth
Honey
Hopkins
Howard (Okanagan Boundary)
Hymmen
Jamieson
Jerome
Kierans
Lachance
Laflamme
Laing (Vancouver South)
Lang (Saskatoon-Humboldt)
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lind
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
Mackasey
McIlraith
McNulty
Mahoney
Major
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Morison
Munro
Murphy
Olson
Orange
Otto
Ouellet
Pelletier

Division

Penner
Perrault
Pilon
Portelance
Reid
Richard
Richardson
Roberts
Rochon
Rock
Roy (Timmins)
Roy (Laval)
Serré
Smerchanski
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Sullivan
Thomas (Maisonneuve)
Tolmie
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Wahn
Weatherhead
Whelan
Whicher
Whiting—120.

ARDA REPORT ON POVERTY AMONG INDIANS

Motion No. 27—**Mr. Orlikow:**

That an Order of the House do issue for a copy of the Report prepared by ARDA dealing with poverty among the Indians of Canada.

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): Mr. Speaker, there is no report as referred to in this notice of motion. The reference may be to a working paper designed for interdepartmental purposes which is confidential and not for publication.

I have spoken to the hon. member for Winnipeg North this morning, and I understand that in view of this information he will consent to the removal of the notice of motion from the order paper.

Mr. Speaker: The motion is dropped.

PASSPORT APPLICATION, JAMES EARL RAY

Motion No. 31—**Mr. Woolliams:**

That an Order of the House do issue for a copy of all applications and/or other documents leading up to the granting of a passport and/or passports to Mr. James Earl Ray, the alleged assassin of Martin Luther King.

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, the Minister of Justice has already informed the house that this case, involving a passport application to which my hon. friend has referred, is now before the courts. The matter is therefore *sub judice* at this time, but we expect that the documents in question will become public knowledge in the course of judicial process during the trial. Therefore, with great respect, I would ask the hon. member to withdraw the motion.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to accommodate

the minister but I do not think the matter has anything to do with court proceedings. I would therefore ask him to produce the documents, and ask that the matter be transferred for debate.

Mr. Speaker: Transferred for debate.

DOMINION-PROVINCIAL RELATIONS

PROSPECTIVE FEDERAL WITHDRAWAL FROM JOINT SOCIAL PROGRAMS

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister a question arising out of replies given by the right hon. gentleman on Monday and yesterday concerning the intention of the government to withdraw from a number of shared cost programs and turn over additional tax points to the provinces. Is the government now giving notice to the provinces required by law to terminate the existing agreement on the hospital insurance plan?

Right Hon. P.-E. Trudeau (Prime Minister): No, Mr. Speaker.

Mr. Stanfield: I have a supplementary question with respect to the intended withdrawal of the federal government from the medicare program after five years. Does the five year period date from the entry of each province into the medicare plan, or from the date of the federal legislation coming into force?

Mr. Trudeau: Mr. Speaker, I understand that the five years is counted from the date when the legislation came into force.

Mr. Stanfield: Mr. Speaker, I have a further supplementary question. When the federal government withdraws from any of these shared cost programs and taxation points are turned over to the province, will the province, in order to continue to receive fiscal transfers, have to meet from time to time standards established and set under these programs by the government of Canada?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, the provinces have to have the standard established in order to get into the programs. It is our intention, I should like to make it clear to my hon. friend, to work out a formula that provides the provinces with at least half the continuing cost of the program involved. It should also be emphasized I believe, that if the provinces run the programs as efficiently as possible from that point onward, the formula might even give them a surplus.

Hon. Marcel Lambert (Edmonton West): A supplementary question to the Minister of Finance, Mr. Speaker. I will repeat a question that I asked of the Prime Minister yesterday. Does this include programs devised or proposed by the federal government and imposed upon the provinces without prior consultation, such as was the post-secondary education program?

Mr. Benson: Mr. Speaker, nothing was imposed upon the provinces in the post-secondary education program. We simply recognized the great priority of post-secondary education in Canada and transferred to the provinces amounts far beyond anything that was advocated even in the Bladen report.

Mr. Stanfield: A further supplementary question, Mr. Speaker. For the purpose of clarification, would the Minister of Finance indicate how his proposal is different from the existing arrangement, since the federal government is going to continue beyond 1972, 1973 and 1974 to meet half the costs of shared cost programs?

Mr. Benson: This is the fact, Mr. Speaker. It would take a long explanation, so I would refer my hon. friend to *Hansard* for December 6, 1966, at pages 10773 and 10774, where a rather full explanation was given by the then minister of finance.

Mr. David Lewis (York South): Mr. Speaker, the question I was going to direct to the Prime Minister now seems to me even more relevant than it was before the orders of the day were called. In view of the importance of the subject that has been discussed on orders of the day, does the Prime Minister not feel that a full statement should be made by the government on which programs are in view, and exactly how the transfer will be made, so that this house can debate a matter so basic to the welfare of Canadians?

Mr. Trudeau: Mr. Speaker, this basic matter, as the hon. member puts it, is at least two years old. At that time the then minister of finance made a very lengthy statement in explanation of our whole position. I suggest that the hon. member refer to it.

Mr. Lewis: A supplementary question, Mr. Speaker. Since a statement made two years ago about a general situation and a statement about matters which are being discussed in a

concrete way with the provinces are obviously different, may I ask the Minister of Finance first, and the Minister of National Health and Welfare second, whether they would undertake to make a statement to the house as to the discussions that have taken place with their counterparts in the provinces in connection with this matter?

Mr. Benson: Mr. Speaker, I think that the proposal I made to the provinces was basically the same as that made in 1966 by the minister of finance.

Mr. Lewis: But we ought to hear it.

Mr. Benson: I did not materially change the proposal. I referred the Leader of the Opposition to some pages in *Hansard* and I would also refer this hon. member to them. They outline the programs involved. In addition to this, I would refer him to the Medical Care Act and what is contained therein.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I should like to ask the Minister of Finance a supplementary question. In order that the government and the provinces may at all times have careful and precise knowledge of the cost of these programs, would the minister lend them his computers?

Mr. Benson: Mr. Speaker, I would be very pleased to if they need them.

[*Translation*]

FINANCE

QUEBEC—LOANS FOR HYDROELECTRIC DEVELOPMENT

On the orders of the day:

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

Since the Canadian government has made a $32 million loan to the Newfoundland Hydro-Electric Commission at 5¼ and 5⅞ per cent interest per year, as recorded at page 2201 of *Hansard,* and since Hydro Quebec has just floated a $50 million bond issue, does the Canadian government intend to grant the same facilities to Hydro Quebec at the same rate as Newfoundland?

[*English*]

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I believe the loans to Newfoundland—though I should like to check this first—are made under the Atlantic Provinces Power Development Act, which is a specific act passed by parliament setting out the conditions under which loans can be made to the Atlantic provinces for this particular kind of development. It is, of course, part of the development program to encourage expansion in the Atlantic provinces and to overcome regional disparities.

CANADIAN CITIZENSHIP

CONDITIONS RESPECTING PRIVILEGES TO BRITISH IMMIGRANTS

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. Would the minister make a statement to clear up the widespread misunderstandings and confusion which have been created by statements reportedly made by the minister, and particularly by his parliamentary secretary, concerning the alleged preferment presently granted Commonwealth citizens in relation to the conditions which must be met prior to their obtaining Canadian citizenship? I ask this question because of the statement attributed to the minister and his parliamentary secretary to the effect that British subjects pay—

Mr. Speaker: Order. The hon. member has asked his question; I believe it is that a statement be made by the minister on motions.

Mr. Nesbitt: With great respect, Your Honour, unless I explain in a sentence the basis for my question it would be very difficult for the minister to know to which statement I have reference.

Mr. Speaker: Order. The question was asked on a number of occasions yesterday so I am sure the minister knows what it is about.

Mr. Nesbitt: With great respect, Mr. Speaker, the statement attributed to the minister was that citizenship would cost British subjects $5 whereas in fact it costs $10.

CANADIAN BROADCASTING CORPORATION

INQUIRY AS TO POSSIBLE ECONOMIES

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Secretary of State. In view of the government's straitened financial position and the resultant economies in the distribution of printed media of communication, as represented by the recent Post Office Act amendments, is it the intention of the government to effect similar economies in

the electronic media of communication, such as the C.B.C.?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I believe, Mr. Speaker, that the government wants to make all the savings possible and reasonable. However, I am not aware of a particular study being conducted at the present time on the particular and specific problem of electronic communications within the Canadian Broadcasting Corporation.

[*English*]

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I have a supplementary question that I would direct to the President of the Treasury Board. Has Treasury Board approved an order in council authorizing the expenditure of $66 million odd on the C.B.C. building in Montreal, construction to begin in December, as set out in a return made to this house on October 16?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I would have to have reference to the particular return to check this.

[*Translation*]

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I simply wish to rise on a point of order.

I wanted to put a question to the hon. Minister of Transport but, since he is not in the house, I shall keep my question for another day.

[*English*]

CRIMINAL CODE

INTRODUCTION OF LEGISLATION RESPECTING CONTRACEPTION

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a question for the Prime Minister. In view of the different dates given by the President of the Privy Council and the Minister of National Health and Welfare for the introduction of legislation to take contraception out of the Criminal Code, would the Prime Minister resolve the contradiction by telling us the actual date of the introduction of this legislation?

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, perhaps I could respond to that question best by pointing out to the hon. lady that the bill was introduced in the other place last week.

[Mr. Dinsdale.]

[*Translation*]

DOMINION-PROVINCIAL RELATIONS

EXTENSION OF TAX COLLECTION ARRANGEMENTS

On the orders of the day:

Mr. C. A. Gauthier (Roberval): Mr. Speaker, my question is directed to the Minister of Finance.

In view of the fact that the minister has obtained the consent of the provincial delegates, during the last federal-provincial conference, to collect income tax for another five year period, could he tell the house whether that was a unanimous decision on the part of all the provinces?

[*English*]

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I believe my hon. friend is talking about the tax collection agreements that apply to provinces other than Quebec, which carriers on its own tax collection. Mind you, it does not apply to all taxes in all provinces. For example, Ontario collects its own corporate tax. The provinces of Ontario, Quebec and British Columbia collect their own succession duties as well.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I do not think the hon. minister has answered the question, for we all know that all the provinces impose taxes. We would like to know if the decision was taken unanimously during the discussion at the federal-provincial conference.

[*English*]

Mr. Benson: Mr. Speaker, no one disagreed.

HEALTH AND WELFARE

SPRINGHILL, N.S.—POLLUTION FROM FIRE IN MINE DUMP

On the orders of the day:

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, my question is for the Acting Minister of Energy, Mines and Resources. Is the minister in a position to indicate what action the department is taking to eliminate or contain the fire that rages on in a mine dump in the town of Springhill. Smoke is polluting the whole town of Springhill. I directed a similar question to the Prime Minister yesterday.

Mr. R. J. Orange (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, all matters relating to the safety

and control of mining operations and abandoned mine workings come under the jurisdiction of the province concerned. The fire in the coal mine dump at Springhill, Nova Scotia, has been burning for a number of years and the department of mines of that province is actively continuing its investigation of ways and means of controlling the burning and the smoke pollution. The federal government stands ready to provide technical advice relative to this provincial responsibility, should it be requested.

Mr. Coates: A supplementary question, Mr. Speaker. If federal officials have no jurisdiction in the area, why have officials of the Department of Energy, Mines and Resources gone to Springhill to study the matter? On what basis has that been done, and why?

Mr. Orange: Mr. Speaker, I assume they have gone at the invitation of the provincial department of mines.

Mr. Coates: A further supplementary question, Mr. Speaker. Could the acting minister inform the house whether air pollution is a responsibility of the federal government?

Mr. Speaker: Order, please.

EXPO '67

INQUIRY AS TO SALE OF EXPO EXPRESS

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, in the absence of the Minister of Industry, Trade and Commerce may I direct a question to the Minister without Portfolio, the hon. member for Saskatoon-Humboldt. Some ten days ago I asked the minister to advise the house what steps were being taken to protect the city of Edmonton with regard to the disposal of the Expo express. Some time has passed. Can the minister tell us just what steps have been taken. Just what is the decision with regard to the public sale of equipment forming part of Expo express?

Hon. Otto E. Lang (Minister without Portfolio): Mr. Speaker, nothing really has changed in the time that has passed. Discussions between interested parties are going on and I assure the hon. member that the proper interests of all parties will be taken into consideration.

Mr. Steven E. Paproski (Edmonton Centre): A supplementary question, Mr. Speaker. In this case is the highest bid for the Expo express to be accepted?

Mr. Lang (Saskatoon-Humboldt): The high bid in fact was accepted in the case of the Expo express.

Mr. Lambert (Edmonton West): For which tender?

AIR TRANSPORT

BRITISH COLUMBIA—INSTALLATION OF HOMING DEVICES

On the orders of the day:

Mr. Bruce Howard (Okanagan Boundary): Mr. Speaker, my question is intended for the Acting Minister of Transport. In view of the recent loss of another aircraft, bringing the total to 45 lost in southern British Columbia in the last ten years, is the minister considering the compulsory installation of homing beacon devices on aircraft operating in southern British Columbia?

Hon. James Richardson (Minister without Portfolio): Mr. Speaker, I sympathize with the concern that is expressed about this matter. Generally speaking, the department is in favour of safety devices of this kind, but the kind of search and rescue device that is being spoken of has not had wide acceptance, and it is expensive. For those reasons it has not been made compulsory.

Mr. Howard (Okanagan Boundary): A supplementary question, Mr. Speaker. Is the acting minister aware that this device can be purchased for less than $200?

Mr. Speaker: Order, please.

Mr. Georges Valade (Sainte-Marie): A supplementary question, Mr. Speaker, to that asked by the hon. member who has just sat down. Can the minister take this house into his confidence and say whether the report to the effect that the Minister of Transport is to change servicing procedures at Dorval and Malton airports represents official government policy?

Mr. Speaker: Order, please. The hon. member cannot ask a minister to confirm or deny reports of this nature.

INDIAN AFFAIRS

BRITISH COLUMBIA—PUBLICATION OF NAMES OF WELFARE RECIPIENTS

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wonder whether the Minister of Indian Affairs and Northern Development can

answer the question I asked of him yesterday. He said he would reply today.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Yes, Mr. Speaker, I am ready to answer. I have made an investigation regarding the question of the hon. member and no employee of the Department of Indian Affairs and Northern Development has issued a list of people who receive welfare payments in the province of British Columbia.

[*English*]

Mr. Robert Simpson (Churchill): Mr. Speaker, may I direct a supplementary question to the Minister of National Health and Welfare. Can he advise the house if his department is continuing to circulate among drugstores in British Columbia lists of Indians receiving welfare and entitled to free drugs?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, that question arose yesterday, We are checking into the matter at present. I do not believe that is the situation, but I shall try to give a more adequate reply tomorrow.

Mr. Simpson: A further supplementary question, Mr. Speaker. When the minister is looking into this matter will he ascertain whether old age pension recipients are being included on lists that are being circulated?

NATIONAL SECURITY

POSSIBLE CHARGES RESPECTING PASSPORT APPLICATIONS

On the orders of the day:

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, my question is directed to the Solicitor General and arises out of starred question No. 642. Has the Solicitor General consulted with the Attorney General of Ontario or any other province, or with any other authority, with respect to charges being brought against certain persons with regard to perjury in connection with false declarations in two applications for passports?

Hon. G. J. McIlraith (Solicitor General): Mr. Speaker, I should like to take that question as notice.

[Mr. Orlikow.]

TRADE

GRAIN—REPORT OF SCIENTISTS RESPECTING EXPORTS TO JAPAN

On the orders of the day:

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my question is for the Minister of Agriculture. On October 23 the minister took as notice a question concerning results achieved by a committee of two senior scientists sent to Japan by the Board of Grain Commissioners, as to the export and processing of Canadian grains. Does the minister now have a report to make to the house?

Hon. H. A. Olson (Minister of Agriculture): No, Mr. Speaker. I undertook to make a report when these two gentlemen returned to Canada. I thought that would be on October 23. They were not then back in Canada and I will check to see if they are back now.

NATIONAL CAPITAL

INQUIRY AS TO ESTABLISHMENT OF PARLIAMENTARY COMMITTEE

On the orders of the day:

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct a question to the Minister of Forestry and Rural Development which arises from questions asked in the house on September 19 and 23 and October 21. Has a decision been reached with regard to a committee of the house to deal with matters concerning the national capital?

Hon. Jean Marchand (Minister of Forestry and Rural Development): No, Mr. Speaker.

[*Translation*]

FINANCE

MONTREAL—ACCREDITATION OF NEW CHARTERED BANK

On the orders of the day:

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, my question is directed to the Minister of Finance.

Does the minister intend to recommend granting a new charter to the Montreal District and City Savings Bank which applied recently for a commercial bank charter?

Mr. Speaker: It seems to me this question could be placed on the order paper.

[*English*]

AIR TRANSPORT

EDMONTON—ADDITIONAL FLIGHTS DURING WINTER MONTHS

On the orders of the day:

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, since the Minister of Transport is not here may I direct my question to his parliamentary secretary. Is there any intention of allowing Canadian Pacific Airlines, Western Airlines or Pacific Western Air Lines additional flights in and out of Edmonton to compensate for those which were deleted from Air Canada's winter schedule for that capital city?

Hon. James Richardson (Minister without Portfolio): Mr. Speaker, decisions of that kind come under the Canadian Transport Commission and will be reviewed by that body.

CANADIAN BROADCASTING CORPORATION

UNION DISPUTE RESPECTING REPORTING OF OTTAWA CONFERENCE

On the orders of the day:

Mr. Robert McCleave (Halifax-East Hants): My question is for either of two ministers who are seatmates—the Minister of Labour or the Secretary of State. Has either been advised that a group of C.B.C. newsmen belonging to a C.L.C. union had prevented a C.B.C. newsman from a C.N.T.U union from reporting the dominion-provincial conference this week in Ottawa on national networks, and what action is contemplated?

Mr. Speaker: Order. Could that question not be placed on the order paper?

Mr. McCleave: Since this involves the freedom of the press, Mr. Speaker, I will ask that it be debated at ten o'clock.

AGRICULTURE

REQUEST FOR ACCELERATED DEPRECIATION ON GRAIN DRYING EQUIPMENT

On the orders of the day:

Mr. John Burton (Regina East): My question is for the Minister of Finance. Is the minister now able to inform the house whether or not he will propose accelerated depreciation allowances for farm grain dryers similar to those for farm grain storage equipment?

Hon. E. J. Benson (Minister of Finance): I have asked the Minister of Agriculture to look into the feasibility of doing this. We intend to have a consultation on the matter in the near future and when a decision has been reached an announcement may be made.

USE AND OPERATION OF GRAIN DRYERS

On the orders of the day:

Mr. A. P. Gleave (Saskatoon-Biggar): My question is directed to the Minister of Agriculture. In view of the large quantities of out-of-condition grain on the prairies, is the Department of Agriculture, through the Board of Grain Commissioners, giving any assistance or advice to farmers on the use and operation of farm grain dryers?

Hon. H. A. Olson (Minister of Agriculture): I had a report yesterday from the minister of agriculture for Saskatchewan. He advised me they had made a survey and found there are more than 800 on-farm grain dryers in that province, having a capacity of something like 800,000 bushels a day. This is so far in excess of anything which has been available in other years that we think the situation is well in hand.

As far as advice is concerned, pamphlets have been put out by the Board of Grain Commissioners giving both advice and caution, I might add, so that some of the milling qualities of the grain should not be adversely affected.

Mr. Gleave: Is the Board of Grain Commissioners making spot checks on the quality of grain as it is going through local dryers?

Mr. Olson: I do not know whether they are making any special effort of that kind this year. The hon. member is aware that the Board of Grain Commissioners does this as a normal practice, but I will inquire to find out whether any special arrangements have been made to meet the exceptional conditions this year, and, if not, I will ask whether the board does not think it advisable that additional checks should be made.

FISHERIES

INQUIRY AS TO DEFICIENCY PAYMENTS

On the orders of the day:

Mr. Frank Moores (Bonavista-Trinity-Conception): I have a question for the Minister of Fisheries. Does the minister intend to pay deficiency payments to the east coast fishing industry up to the end of October, as he announced on October 16 in this house, or only until the end of September as he advised the industry on October 18?

Inquiries of the Ministry

Hon. Jack Davis (Minister of Fisheries): This matter is now under active consideration.

EXTERNAL AFFAIRS

SOUTH VIET NAM—ATTENDANCE AT PARIS PEACE TALKS

On the orders of the day:

Mr. Paul Yewchuk (Athabasca): My question is for the Prime Minister. Can the right hon. gentleman assure the house that Canada has lived up to its international image as a peace keeper by actively encouraging the government of South Viet Nam to attend the Paris peace talks which are set to begin as soon as South Vietnamese representatives attend?

Hon. C. M. Drury (Acting Secretary of State for External Affairs): I will take that question as notice.

[*Translation*]

INCOME TAX

INQUIRY AS TO MODIFICATION OF CEILING

On the orders of the day:

Mr. Henri Latulippe (Compton): I should like to put a question to the hon. Minister of Finance.

Can he tell the house whether he intends to change or to cancel the $120 ceiling on the new tax increase?

Mr. Speaker: I would suggest to the hon. member that he should put his proposal during the budget debate which will, I believe, be resumed within the next few minutes.

[*English*]

AGRICULTURE

SUGAR BEETS—PHASING OUT OF SUBSIDY

On the orders of the day:

Mr. Mac. T. McCutcheon (Lambton-Kent): I have a question for the Minister of Agriculture further to the one I asked him in October relative to the phasing out payment of $60 an acre to sugar beet growers. When can farmers expect to receive these cheques? Can the minister give us an approximate date.

Hon. H. A. Olson (Minister of Agriculture): I do not think I can give an approximate date for the arrival of those cheques, but I can advise the hon. member that we now have the data, or the statistical information we need in order that the necessary proceedings can go forward.

[Mr. Moores.]

Mr. McCutcheon: Would it be safe to assume that this would be in the year 1968?

Mr. Olson: I think it would be safe to assume that the minister will give a more detailed reply tomorrow.

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

ST. LÉONARD, QUE.—INQUIRY AS TO SURVEILLANCE ACTIVITIES

On the orders of the day:

Mr. Roch La Salle (Joliette): Mr. Speaker, a week ago the member for Charlevoix asked the Minister of Justice why the house of the chairman of the school integration movement at Saint-Léonard is kept under guard by the R.C.M.P. The minister replied, in the absence of the Solicitor General, that when the latter was in the house, he would give us that information. Can the Solicitor General of Canada give us that information today?

[*English*]

Hon. G. J. McIlraith (Solicitor General): Yes, Mr. Speaker. The R.C.M.P. were in Saint-Léonard, but on a matter which had no connection with the school integration activities going on there. They were there in connection with an entirely unrelated matter.

POST OFFICE DEPARTMENT

CRITERIA USED IN PHASING OUT PROCEDURE

On the orders of the day:

Mr. Arnold Peters (Timiskaming): I should like to ask the Postmaster General whether it is the intention of his department to circulate the criteria being used by the department in connection with the phasing out of rural post offices.

Hon. Eric W. Kierans (Postmaster General): I think we discussed this matter at considerable length during the passage of the post office bill. There are approximately 2,500 post offices from which the revenue is less than $445 a year. We are comparing this with the cost of operating those offices, and we are making a number of decisions about closing them. But I think the basic consideration is the economics of the situation.

Mr. Peters: Is it the intention of the department to use criteria additional to the one the hon. gentleman has mentioned, and would he be prepared to provide details to members who are keenly concerned about the future of rural post offices?

Mr. Kierans: I would be prepared to do so. There are no political considerations in mind, if that is what the hon. member is suggesting.

Mr. Peters: On a question of privilege, I did not suggest there were political considerations involved. I said there were perhaps other considerations, such as the population in the rural areas concerned. We would like to have this material.

EXTERNAL AFFAIRS

CONGRATULATIONS EXTENDED TO U.S. PRESIDENT-ELECT

On the orders of the day:

Mr. James A. McGrath (St. John's East): May I direct this question to the Prime Minister. Can he tell the house whether in the interests of good neighbourly relations he has sent a telegram of congratulations to the new President-elect?

Right Hon. P.-E. Trudeau (Prime Minister): Yes, Mr. Speaker, I did send a telegram. It said: "Warmest congratulations and good wishes on your electoral success yesterday." That is the beginning of the telegram.

An hon. Member: To whom was it sent?

Mr. Trudeau: I believe it was sent to—

An hon. Member: A fellow by the name of Nixon?

Mr. Trudeau: I can tell the hon. member that the electronic devices of the CBC have been working well. It was sent to President-elect Nixon.

The message went on to suggest that there be warm co-operation between our two governments, and that the objectives and aspirations which Canadians share with our friends and neighbours in the United States would be pursued by our government.

Some hon. Members: Hear, hear.

BUSINESS OF THE HOUSE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order, or at least on a question of order, and I should like to direct my remarks to the President of the Privy Council.

• (3:50 p.m.)

Before I do so, however, perhaps I might be permitted to echo the sentiments expressed the other day by the hon. member for Oxford, and extend the best wishes of the house to the Minister of National Revenue on the occasion of the surgery he is to undergo tomorrow.

Some hon. Members: Hear, hear.

Mr. Knowles (Winnipeg North Centre): My question to the President of the Privy Council relates to the hour between five and six o'clock today. In view of the fact that there are so many members anxious to speak in the budget debate could we have unanimous consent to waive that as private members hour, not losing the Wednesday, so that we can get in a couple more speeches on the budget?

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I would be quite agreeable to that, subject to the usual reservations with respect to the rights of private members. Perhaps we could make that an order of the house now.

Mr. Speaker: Is it agreed that this be made an order of the house?

Some hon. Members: Agreed.

Hon. Jean-Pierre Côté (Minister of National Revenue): Mr. Speaker, I would like to thank the hon. member for his good wishes, and I would just like to say that the operation will not take place tomorrow. I am going into hospital tomorrow and the operation will be next week.

Mr. Lewis: Good luck anyway.

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed from Tuesday, November 5, consideration of the motion of Hon. E. J. Benson (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the amendment thereto of Mr. Lambert (Edmonton West) (page 2262).

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, in discussing this budget one must begin with the question of credibility. Nearly a year ago when speaking in the previous budget debate I said that in the circumstances of that time the credibility of the government was at stake. Since then I think it is clear that the credibility of the government has been destroyed.

Some hon. Members: Hear, hear.

Mr. Stanfield: There is now such wide agreement on this point that I do not propose to spend very much time today discussing this aspect of the matter. But one day I had some things to say on the subject when the minister happened to be absent from the house, and he thought it was not very sporting of me to say those things while he was away. Therefore I shall touch briefly on the matter today.

I would remind the house of the assurances given by the former minister of finance, the present Secretary of State for External Affairs (Mr. Sharp) last autumn and through the winter, and of the assurances given by the present Minister of Finance (Mr. Benson), who was then the president of the treasury board. I will not weary the house with the extensive remarks of the Minister of Finance about the sophisticated methods he and his associates had to forecast expenditures for five years, and how he went on to say that his methods had become so sophisticated that there would be no need for supplementary estimates or anything of that sort any more.

The Minister of Finance gave his personal guarantee that expenditures would not exceed $10,300,000,000 in the current fiscal year and that the budget would be balanced. I would admit that one can be wrong in estimates. Everybody having any responsibility in connection with government matters has sometimes made a mistake in estimates; but this is much more than an error in estimating because one has to recall the context with respect to the question of the estimates at the time, and the firm assurances and personal guarantee of the minister to that effect. One has also to consider in this context the crisis that developed through the winter and into February, the crisis in confidence. It was partly a matter of external confidence but was also very much a matter of confidence in Canada, involving doubts about our fiscal position and about the determination of the government of Canada to fight inflation.

It was in this context that new and even firmer assurances were given by spokesmen for the government. The ceiling on expenditures would be reduced by a further $75 million so as not to exceed $10,225,000,000, excluding medicare and the costs of adjusting Expo, a saving clause put in by the then minister of finance. But at that very time, during that very month officials of the government were being informed by officials of the government of Ontario that their expenditure and forecasts under the shared cost programs were very much out of line.

Yet despite this knowledge, and continuing on beyond the time that provincial governments were tabling their estimates in the provincial legislatures, assurances from the present Minister of Finance and indeed from the Prime Minister (Mr. Trudeau) continued. They continued through the spring. They continued through the election campaign. They were incorporated in a prospectus filed with the S.E.C. in the United States in which the government of Canada, through the agency of the Minister of Finance, gave an assurance that the government of Canada intended to maintain a ceiling of $10,225,000,000 on estimates. There were no exceptions in that assurance at all and it was said that this would bring the budget close to balance.

What explanation has the Minister of Finance given for the solemn assurance in that prospectus, as compared with the actuality first indicated in the revised estimates tabled in the house and more recently in his own budget speech? All he has been able to say in this house is that he, realizing at that time that the expenditures on shared cost programs and certain other statutory forms of expenditure were exceeding estimates, hoped to be able to offset this by reductions in programs he could control. The only mention of any savings in programs that could be controlled last winter, last spring and even more recently, was the figure of $75 million to $80 million. How the Minister of Finance can pretend he had any reasonable justification for hoping that the increased expenditures on shared cost programs, which we now know will amount to some $400 million, would be offset by possible reductions of $75 million is beyond anybody's comprehension, and I think it must be regarded as one of the lamest excuses ever given by a minister of finance in this house.

Some hon. Members: Hear, hear.

Mr. Stanfield: As a matter of fact what disturbs me as much as anything else in this whole incident is the fact that the government has not felt it necessary to give the people of Canada any explanation.

Some hon. Members: Hear, hear.

Mr. Stanfield: Its attitude is so completely cynical that it is not even bothering to go through the motions to give this house or the people of Canada any explanation.

Mr. Benson: I have given the explanation, but you won't listen.

Mr. Stanfield: What is the actuality as contrasted with the personal guarantee given last February by the Minister of Finance? It is a deficit on the basis of the then existing taxation of some $700 million, as contrasted with the balanced budget he personally guaranteed in this house last February after assurances, under pressure, relating to the accuracy of his estimates, after assurances given by him that his estimates were so sophisticated that he would not need to present any supplementary estimates.

• (4:00 p.m.)

Mr. Benson: To supplement the heavy water plant in Nova Scotia.

Mr. Stanfield: I wish my hon. friends would do as much to help in the Cape Breton area as did the group that saved the Sydney steel industry which the government so casually abandoned. I have every confidence that the same group of men could do a good job in other areas, including the heavy water industry. My hon. friend and his associates assured the house last winter that they would hold the increased expenditures to 4 per cent. They started off at 4 per cent and under the pressure of the crisis it went up to 4½ per cent. The actual expenses this year are some 8 per cent to 9 per cent higher than a year ago. That is not bad for this government; only 100 per cent wrong in what it said.

Having experienced all that, what did the minister do in his present budget? He brought forward a budget forecast based on a ceiling of 5½ per cent next year. His forecasts now are based on not exceeding an increase of 5½ per cent next year, again excluding medicare. Even the phraseology is reminiscent of last year when the former minister of finance said that expenditures would not increase by more than 4½ per cent. Actually they went up to 8 per cent or 9 per cent. Despite this experience the Minister of Finance (Mr. Benson) is basing his forecasts of expenditures on assurances, and says that the expenditures will not increase by more than 5½ per cent. He says that this, plus his increased taxation, will produce a balanced budget. My hon. friend ought to be selling patent medicine rather than trying to run the finances of this country. He guaranteed that expenditures would not increase by more than 4 per cent this year. He now admits they will be up 8 per cent to 9 per cent after heroic efforts to control them. Yet he now solemnly assures us that next year he will hold them to an increase of under 5½ per cent.

After the fiasco of last year and the current year one would think that a man in his position should have felt some responsibility to exercise special care so that he would not pour more scorn upon the credibility and confidence that anybody might have in the government of Canada. Surely he ought to have learned to exercise some caution. This is the reason people in this country, including the press, are in fact saying, "Nuts to him". He admits it is only a guess. Gone is all the talk about sophisticated method for estimating expenditures. He admits it is only a guess, and is not based on any actual estimate of detailed costs. There is no suggestion of how he will succeed in holding his expenditures under an increase of not more than 5½ per cent next year. There is not the slightest indication. After an 8 per cent to 9 per cent increase this year with the most rigid exercise of controls, how does he propose to hold these expenditures below a 5½ per cent increase, apart from medicare. I say that he does not have the slightest idea and nobody takes him seriously, Mr. Speaker.

Let us consider the methods the Prime Minister and the Minister of Finance have mentioned, so far, that might be used to control the costs of the shared cost programs. When the Prime Minister spoke in Calgary he gave us a couple of examples of how changes might be made in the administration of those shared cost programs. He suggested that people who are now in hospitals could in some instances be taken care of adequately in convalescent hospitals. This is something which has been discussed in Canada and in the provinces for years and years. It has been discussed for about as long as the hospital plan has been talked about. It has some advantages to the extent that it could be done. It also involves some increased expenditures. I agree, however, that it should be explored and that there might be some savings effected there.

The other suggestion made by the Prime Minister was that universities and educational plants should be used the year round. This is another thing that has been bandied around as long as I have been in politics, and possibly for a long time before that. Some people believe economies could be effected there. I am very much in favour of this being fully explored. Now the Minister of Finance and the Minister of National Health and Welfare (Mr. Munro) are talking about the use of modern business methods and controls in connection with the administration of the hospital plan. If this is all these gentlemen have to

suggest in respect of controlling the growth of the expenditures in these programs, then they really are only indicating that they do not understand what is causing the costs of these programs to escalate as rapidly as they are. I find it difficult to believe that these gentlemen could expect anybody to take them very seriously, when this is all they have to suggest in the way of saving costs in respect of the shared cost programs.

How do the Prime Minister and the Minister of Finance really expect to control the costs of these programs? The answer is clear. They intend to get out of them as fast as they can, and transfer so many tax points to the provinces in this connection. The poor provinces will then merrily try to meet the escalated costs from the revenue transferred to them. The Minister of Finance referred me to a certain statement made in 1966 by the then minister of finance, who made it very clear that the administration payment would not be escalated—

Mr. Benson: In the final settlement.

Mr. Stanfield: Yes, certainly. Now, now! The Minister of Finance cannot help himself. Under the terms of the agreement he has to meet half the costs of these programs so long as the agreements are in effect, but once he can get out from under, if the people of Canada leave him there long enough to do it, he and this government hope to transfer so many taxation points that will not necessarily escalate revenue in proportion to the escalation of the cost of the programs.

When the Minister of Finance suggested, in answer to me here this afternoon, that the government of Canada would provide the provinces with at least half of the costs of the programs I was going to say he was not being very frank, but I will be a little more tactful and say that perhaps he did not understand my question. In any event this is the government's ultimate method to control federal expenditures under the shared cost programs. It is going to get out of them. But how does the government propose to control them in the meantime? Surely not in the rather minor ways the minister and the Prime Minister have talked about, because the Minister of Finance, if he had a cavity in his eye tooth, could not pay to get it filled with the money they would have next year by any of the methods they have talked about so far.

[Mr. Stanfield.]

• (4:10 p.m.)

The only thing I can say is the government believes the provinces will have to cut back on their educational and cost-sharing programs, because it is not going to allow the provinces any bigger share of revenue or any share of the increase in income tax it is imposing. The provinces will have to spend more money to support the new programs the federal government is adopting. For this reason and because of the general financial situation of the provinces they will have to cut back on these other programs. That is the only way I can see that the minister could have in mind actually reducing the rate of acceleration of these share cost programs. He is giving the provinces no option but to cut back on these programs. He is reinforcing this, in effect, by forcing the provinces to join the federal government in the new program. This message is very clear.

The provincial position is quite clear. Provinces need revenue to meet the existing costs of their programs. The minister can take a hard line against the provinces, with the hope that they will have to cut back in one way or another on all their programs, especially because they are going to be virtually compelled to join him and his colleagues in this new program. There is absolutely no other method of control indicated by the government. Any other suggestion which has been made is comparatively insignificant.

One might ask what is wrong with this method upon which the Minister of Finance is relying? I suggest it is obviously wrong for the federal government to hold the line on tax sharing while compelling the provinces to adopt the new program involving substantial new expenditures on the part of the provinces.

I am not talking now about the merits of the program. There are lots of desirable programs that might be adopted in Canada. It is clear to me that if the federal government is hard up, and it surely is, and if provinces are hard up, as they surely are, it is poor behaviour for a central government in a federal country to decide unilaterally that the provinces must adopt a new program. I say with all sincerity that in the present context of financial difficulties at all levels of government such a decision should be a joint decision. It is improper and dangerous conduct for the minister and his colleagues to decide on their own that this is a program the country should proceed with, even though the minister says this is a good program. In the

present circumstances he and his colleagues have no right to decide on their own, regardless of the views of the provinces, that this program should have top priority in this country today.

Mr. Benson: The government decides.

Mr. Stanfield: I suggest this is wrong, without consultation with the present parliament in this context. The minister is trying to hide behind parliament. I suggest he has a responsibility in respect of the leadership in this parliament. This decision was taken without consultation and without regard to priority. This is bound further to embitter federal-provincial relations. This is bound to compel the provinces to spend money in this field and less money elsewhere, for example on education.

The provinces have made their positions clear, and the province of Ontario has done so at some length. We know of the fiscal difficulties that face the provinces. The federal government suggests the provinces will get no more money and instead of discussing ways and means with the provinces of solving the problems by co-operation, the minister says he is going to tax more for the federal government programs, but the provinces will get nothing from this additional taxation and will have to tax more, themselves, to raise equal amounts of money to support the program the federal government wants to proceed with now.

In the present context it is wrong for this government to make this unilateral decision, which will involve the provinces in large new expenditures, regardless of the merits of the program. It is doubly wrong to ask the provinces to match federal expenditures in this regard. What are the priorities? The Minister of Finance obviously thinks this should have top priority. I happen to be one who agrees with the Economic Council of Canada, that education is of top priority in this country. Education together with growth related programs and expenditures should have top priority.

I am not trying to impose my views on the country, as I am not in a position to do so. If I were I would be prepared to join in consultation with the provinces in an attempt to work out a system of priorities important to the future growth of this country. This is essential not only for national growth but for individual Canadians. If the policies and attitudes of the present Minister of Finance and his colleagues result in young men and women in Canada being denied an educational opportunity at the appropriate age, these individuals may never have another equal opportunity. This matter is important nationally, as well as to the individual.

Educational and social policies are important for other than economic reasons. Many aspects are involved in this matter. There is a trend toward automation and more leisure, and the importance of education relates to the quality of life. This is obviously of importance to the individual and the country as a whole, and is one reason, among many, why this and other programs are essential to the national development of the country. This matter must be included in any consideration of priorities.

The minister's budget indicates he is proceeding on the basis of his own judgment and opinion. Let the others get along as best they can. It is important that we have some concensus in this country about national priorities in respect of programs administered federally and provincially. Let me suggest to the minister that I am pleased someone suggested at the conference that the tax structure committee be used as the basis for this kind of consideration. This should have been done long ago, because that committee lends itself to this kind of study. Unfortunately the tax structure committee was ignored for a long time. It is being used now, but only after the government of Canada has made a decision to move unilaterally. This committee will now have to do whatever can be done on the basis of the decision taken by the Minister of Finance, without consultation. What will be the results? I suggest there will be many. Bitterness in respect of federal-provincial relations will develop, perhaps beyond precedent and beyond anything we have known. The minister is running the risk of creating chaos in tax collections methods, which federal and provincial governments have laboriously worked out over the years in order to avoid such chaos. He seems quite prepared to run the risk of compelling some provinces to run their own shows and challenge the minister. It is pretty clear that by his methods he is increasing the disparity in governmental services throughout the country; I will come to that in a moment. His policies are neglecting the basic services essential to growth, as emphasized by the Economic Council of Canada.

Some provinces may be able to get along on their own under this kind of régime, over which the Minister of Finance is presiding.

Possibly the great province of Ontario is economically strong enough to do so; but where does this leave the less fortunate provinces? I hope the Minister of Finance does not stand in his place when the time comes and tell us that the equalization formula will take care of this; because it will not. There are provinces now struggling to provide adequate services, not only important to them and their people but important nationally. The course upon which the minister has embarked may very well lead to the effective destruction of the equalization concept.

• (4:20 p.m.)

So as far as the elimination of regional disparity is concerned, not only did the budget fail to produce anything positive but it provided for a potential increase in economic disparity in this country. All in all the minister is risking the gains of some 20 years in curbing double taxation, providing equalization and progress toward a national standard of essential services. He is creating a danger of a reversal in this trend, and in the middle of the whole picture is the poor bloody taxpayer who is certainly going to get it in the neck again.

So the government is endangering national unity and national growth. It has embarked upon a policy of confrontation. It simply says: We are taking a hard line. You do it our way, or else! The minister and his colleagues have already done what most people thought was impossible; they have succeeded in uniting the various separatist parties in Quebec. They may well now succeed in destroying the tax agreements and the principle of equalization and set afoot great, new disruptive forces in Canada.

I can only say that this budget is a product—I do not want to put it too strongly—of a myopic partisan who does not really comprehend the needs of this country and the forces at work within it. The needs of the people, through their provinces and municipalities, are pressing. I am not here to defend the provinces, because they can speak for themselves; but I am concerned about the people who depend upon provincial and municipal services. For the federal government to pretend to discuss, when actually it has taken a position before discussion, a position that affects not only the provinces but compels them to take certain actions in turn, is wrong. Any such Minister of Finance and any government associated with such a Minister of Finance and such a budget is asking for serious trouble.

[Mr. Stanfield.]

Surely it is absurd for a government to complain about shared cost programs, and at the same time impose new shared cost programs on the provinces whether they want them or not. Surely it is absurd to talk about controlling the expenditures of shared cost programs while insisting upon going ahead with new shared cost programs. I think it might be difficult to find language too strong to describe a government such as that. Would words like hypocritical and arrogant be too strong to apply to a government that insists upon this course of action? I do not think so.

Mr. Woolliams: They are too mild.

Mr. Stanfield: So here we are now, after probably the longest period of economic growth in our history, induced largely by a continued growth and expansion in the United States. In other words, after one of the longest periods of favourable economic circumstances in our history, where do we find ourselves? We find ourselves with a rate of employment of about the same order as when the Liberal government took office in 1963, an annual rate of over 5 per cent.

Mr. Benson: Of employment?

Mr. Stanfield: Of unemployment. Unemployment is at about the same rate as when this long period of growth was under way.

Mr. Benson: It has never been as high as when tories were in power.

Mr. Stanfield: Second, we have had an unacceptable rate of inflation for a number of years, and we still have it despite two years of considerable and unacceptable unemployment in our country. Despite the two years of slackness, we have historically high interest rates in our country. These have gone up further since my hon. friend's budget.

Mr. Benson: Not much.

Mr. Stanfield: The Minister of Finance says, "Not much." They were so high before that there was not much room for them to go up.

Some hon. Members: Hear, hear.

Mr. Stanfield: We have an inadequate rate of growth, and steadily mounting taxes. Despite that, we have a weak fiscal position with a deficit of some $600 million this year and next year—I do not want to be profane, but God alone knows how far it will go, and I am sure the Minister of Finance does not. Then

there is the lack of confidence in the credibility of this government. On top of this there is threatened bitter dissension with the provinces not only through the stubborn stand of this government but also the bullying of the government leading to bitterness between itself and the provinces and, not far off, bitterness between those provinces which can look after themselves somewhat and those which will not be able to do so. All of this is leading to a distortion in government spending in this country, possibly to double taxation, certainly to greater disparity in government services to the provinces, and therefore to increased economic disparity.

What are the reasons for the financial problems of this government? One is the well below average rate of growth of the past two or three years, which has reduced potential tax revenue both for this government and the provinces. This has been necessary, I suppose, because of the menace of inflation and the actual inflation which has occurred. But nothing has been done by the government to fight inflation, except talk. A year ago the then minister of finance talked about policies to encourage restraint. In the very depth of the crisis last winter the then prime minister produced a proposal for an authority to study costs, prices, and this sort of thing. What has happened to it? Months and months and months have gone by and nothing has yet been done.

Inflation has, of course, pushed up the costs of provincial programs and added to the financial problems of the government in two ways; first of all by bringing about the necessity of a slowdown, which in turn has reduced government revenues as well as creating unemployment and, on the other hand, by pushing up the cost of those things on which the government has to spend money. Second, the government has imposed on the provinces through the years, and continues to do so, shared cost programs without adequate forecasting. I had a little experience with the forecasting of the government a couple of years ago with respect to medicare. I do not think they are sticking to the figures they were using then. But the disturbing thing is that there is a continuing process still going on.

Here we have a budget that confronts the taxpayers and the provinces but does not purport to deal with the problems of the country. We have higher taxes. We have the 2 per cent social development tax which is so unfair. When I say it is unfair in this connection, I am not speaking of the provinces, although they regard it as unfair to them. I mean it is so unfair to the people with lower and moderate incomes.

• (4:30 p.m.)

What are the problems? First of all there is the problem of the restoration of confidence in the government. The only thing this government has done to help anybody form a better opinion of it is with regard to those who have been impressed by its readiness to impose additional taxation, and particularly its courage in imposing it on the relatively poor and unfortunate. This, I suppose, has created an impression of a certain steely characteristic which some people like to see; but certainly they have not created any more confidence in the accuracy of their forecasting or the effectiveness of their control. So, when I ask myself: Does this budget do anything to restore confidence, the answer is no.

The second question concerns inflation, which is one of our great problems. Does the budget do anything to fight inflation? No, it adds to the thrust of rising costs because these higher taxes will create pressure and a natural desire to take home at least as much pay as before. After all, what we are being confronted with is the greatest increase by way of tax hikes in the history of our country. So the budget does nothing to help us fight inflation.

Another thing we need is faster growth and more employment. What does the budget do in this area? It does absolutely nothing. As a matter of fact, it has reduced the freedom of action of the government to move in case there is a further downturn in employment. Just imagine the difficulties this government and this parliament would face if there were a downturn of business in the United States. Think what this would do to the rate of unemployment in this country and to our fiscal position. But because of inflation and the failure of the government to deal with it, and because of the lack of confidence that exists, increased expenditures by this government to stimulate employment in the economy would create more and new difficulties for this government. I do not regard a balanced budget as sacrosanct, but I do believe that confidence is essential. Last winter we saw the importance of confidence and what happens when people lose confidence in Canada. The United Kingdom has experienced what

happens when confidence disappears. I presume this is the reason why we have this pretence from the Minister of Finance that we are going to have a balanced budget next year. I suppose this is an effort on his part to create some confidence in this regard; but unfortunately for him nobody believes it.

Another problem in the country is the control of the growth of expenditure and the co-ordination of government expenditures to meet the most urgent priorities, particularly the adequate support of growth related services such as have been recommended by the Economic Council of Canada. What does the budget do in this area? It makes the problems worse than ever.

Then there is the problem of regional disparity, which the minister's colleagues went around the country talking about some months ago. What does the budget do to help that problem? Not only does it fail to do anything positive, it worsens it. So it is quite fair and accurate to say about this budget that it confronts the taxpayers and the provinces, but not the problems in the country. The government has boxed itself further in, and it has further reduced its ability to adopt fiscal programs related to the economic needs of the country. Certainly we have excessive unemployment in Canada today, and certainly we have an inadequate rate of growth in Canada today. All this aggravates the fiscal problem. Because of the failure of the government to deal with inflation and to create some confidence because of the fiscal mess in which it finds itself, it is in fact unable to stimulate economic growth and employment. Faster growth not only would create employment but would also produce more revenues.

I have been speaking for a long time, Mr. Speaker, but there is one more topic on which I would like to spend a few more minutes. It is frequently said by many people that we have many short term problems but that the long term future of the country is great. We hear expressions of confidence in the fundamental strength of the Canadian economy. I agree that the potential is there, but besides these immediate problems I have referred to this afternoon there are longer term problems which cause me great concern. I have already mentioned one or two of them. There is our failure to implement the recommendations of the Economic Council of Canada to give adequate support to education and to other growth related policies. If we fail even more than we have already, if, as a result of the attitude of the Minister of Finance and the policies that he is pursuing in association with the provinces, we fall even farther behind the United States, for example in education and in training, this might not have any immediate effects on our economy but it would certainly affect our ability to compete and to grow in the years ahead. Yet, the government's attitude is certainly not one of giving any recognition to any need for priorities. I say to the Minister of Finance through you, Mr. Speaker, that if we get further behind in this area than we are now it could possibly be disastrous for us.

I say that the attitude of the minister to pay no attention at all to any of the priorities except his own is very short-sighted. There is the related question of a science policy. The government does not seem to have any science policy that anyone can see. This again may not produce any very detrimental effects immediately, except for some scientists leaving the country, but the long term effects could be disastrous. There is the question of skilled personnel, such as doctors and others needed to support an adequate medical plan. It takes years to train such people. You cannot get immediate results, and your failures may not produce immediate results, but certainly they will have a long term effect on the future of the country.

Mr. Benson: May I ask the Leader of the Opposition a question? Does he not realize that the federal government's contribution to post-secondary education has gone up from $40 million to $500 million in the last few years?

Mr. Stanfield: I realize that the federal government changed this program of its own volition two or three years ago, again without consulting the provinces. When my hon. friend says it has gone up from $40 million to the present figure he is comparing expenditures under the previous program with expenditures under the adjustments program. I would like my hon. friend to be completely frank with the Canadian people when he quotes figures, because I know he understands figures and he should use them in such a way as not to mislead the people of Canada.

Mr. Benson: Mr. Speaker, I rise on a question of privilege. I should simply like to ask the Leader of the Opposition whether or not he disagrees with the figures I just put forward.

Mr. Stanfield: I disagree with the implication left by my hon. friend and I do not accept it. I further say to him that if he does

not already realize that there are inadequate public funds in this country being devoted to the training of medical personnel, then one of his colleagues should take him aside and inform him of this. That, in terms of long term growth, is the whole question of the restructuring of industry. We have to bear in mind that we are probably the only country in the world with a population of less than 25 million people which is seriously trying to develop an effective and efficient industrial economy. We are the only country that is trying to do this without having access to a free market with a vastly greater population than that to which we have access. We have to ask ourselves seriously whether we can build an effective and efficient industrial system in this manner. Can we rely entirely upon multilateral arrangements, or are we not going to become subjected to the same kinds of pressures and influences that have, for example, compelled Britain and Sweden to decide that they have to enter into a larger common market? I think we must start looking ahead, not only the government but more people in the country as a whole. We have to ask ourselves whether we do not have to begin to explore alternatives or whether, if we do not do so, we may not wake up one of these days before too long and find there is only one possible opening for us, only one possible course that we can follow if we want to maintain a high standard of living, and that is to become part of the economy of the United States.

• (4:40 p.m.)

We are already tied very closely to the United States economy. We are already dependent on the U.S. for investment and very largely for technology. We have already lost most of our economy in terms of monetary policy, and we have very little freedom of action left to exercise monetary policy of our own. A number of years ago we imposed restrictions on ourselves so as to obtain access to U.S. money markets and borrow money. Last winter we further restricted our freedom of action in the matter of monetary policy in order to get ourselves out of another crisis.

I do not want to dwell further on this today, Mr. Speaker; I merely call the attention of the house to the fact that we are just drifting. Over the years we have been yielding our autonomy step by step, to the point where a Canadian financial analyst who was interviewed by *Barrons* described his own country as an economic satellite of the United States.

Although the GATT situation is fine, it did not result from Canadian initiative and I suggest does not really solve Canadian problems. Far from tackling our problems, Mr. Speaker, we are drifting. Far from reducing the number of our problems the budget has added to them in that it is increasing the cost of doing business. It is ignoring the importance of expenditure priorities in the country, and in effect is distorting the pattern of government expenditure. Certainly the budget has increased the difficulty of providing adequate support in this country for education.

Now, Mr. Speaker, what should the Minister of Finance have done in his budget? I should like to make a few suggestions to him. First, he should have begun by telling the truth quite frankly, Mr. Speaker. He should have done that last winter; he should have done it last spring; he should have done it last summer and he should have done it in his budget speech. After all, this is the first essential in the establishment of confidence. He should have been frank and told the people the truth, about the difficulty of controlling shared cost programs, instead of pretending that through the use of two or three methods suggested by himself and the Prime Minister something effective could be done. Those methods will not make any real difference, Mr. Speaker. They are just about as phoney as all my hon. friend's talk about the forecasted sophistication of the methods available to the government last winter. The only real plan that the government has to control these expenditures is to get out of these programs as fast as it can.

Second, Mr. Speaker, in addition to being frank with the people of this country he should have recognized the patent hypocrisy of talking of restraint and control while adopting a new program and forcing the provinces, in effect, to go along with it and to spend more money. He ought to have set an example in restraint.

Third, Mr. Speaker, he ought to have recognized the folly of the federal government by itself determining expenditure priorities in the present financial context in this country. Further, he should have recognized that the provinces must also spend money on new federal programs. He ought to have recognized the extreme urgency of adequate services in education and other important services rendered by the provinces for the people of Canada. He ought to have recognized

the essential nature of these services to the nation.

To hold the tax sharing line while increasing provincial expenditures, Mr. Speaker, is inflammatory. It creates distortions, is asking for trouble, and is certainly causing plenty of trouble for the Canadian taxpayers.

Fourth, Mr. Speaker, the minister ought long since to have recognized that before he himself took decisions, the need for improved consulting machinery to determine priorities and establish needs should have been satisfied. As I say, I am pleased to see the tax structure committee is now being called for this purpose. It should have been called before the minister slammed the door shut by making his own decisions. The minister ought not to have been arbitrary; he ought not to have been dictatorial. The minister ought to have shown more concern and understanding for the people of this country. His aim should have been to restore confidence through restraint, and a demonstrated readiness to discuss priorities with the provinces before taking any position, moving quickly into a position of fiscal strength, where fiscal action would become practical, to stimulate growth and employment in our economy.

However, Mr. Speaker, with this budget the government has no freedom of action. There was more freedom before the budget was brought down. It is difficult to say what the government would do if it were confronted with a downward movement in the economy. Certainly it does not have available to it methods to prevent such a downturn. The war on poverty, Mr. Speaker, is farther off than ever. I say, may God help the poor, because certainly the government will not.

With regard to the Prime Minister's worry about taxing the rich, there may be something in this, Mr. Speaker. However, they are not the only people who are being over-taxed. Certainly there is not very much indication of that kind of compassion that is expected of a government of a country that has the degree of unemployment that exists in Canada today.

This government ought to have avoided unnecessary strains on confederation. It has created a climate for progress in constitutional and taxation reform. However, the provinces, I am sure, will have to be in a very pleasant mood to regard any proposals of the federal government from here on as reasonable and realistic.

I think it is fair to say, Mr. Speaker, that the Minister of Finance has poisoned the atmosphere in this country in the matter of federal-provincial relations. Certainly the government has to show firmness; certainly it has to show its ability to chart a course and to follow it within reason. But this government has not done that. It has not shown self-discipline. It has behaved in the way typical "tough guys" behave—not exercising any self-control but trying to push other people around. It is almost like the gangsters we see in old western movies and, Mr. Speaker, just as crooked. Just as confidence is essential to a nation, so is good will and co-operation necessary in federal-provincial financial relations. I say, Mr. Speaker, that this government is risking the future of this country in order to try to save its own skin.

Co-operative federalism has gone down the drain. What is taking its place?

Mr. Perrault: It won't be the Conservative party.

Mr. Stanfield: My hon. friend says it will not be the Conservative party. I say that co-operative federalism has given way to confrontation, and very little else.

I think, Mr. Speaker, that those of us not in the government should pray as hard as we can for continued and growing prosperity in the United States so that this will overflow into our country and maintain a good standard of prosperity here. Because after this budget, Mr. Speaker, certainly this government will be unable to do anything to help the Canadian people.

We pray that this will happen so that perhaps the government will at least have second thoughts, so that perhaps other ministers in the government will have the wit to see the dangerous course upon which the government has embarked, will have the courage to speak frankly to the Minister of Finance and the Prime Minister and will warn them of the dangerous course upon which they have launched the ship of state of Canada.

• (4:50 p.m.)

Mr. Paul St. Pierre (Coast Chilcotin): Mr. Speaker, shortly before the last election an old rancher in the Chilcotin country got in touch with me and said, "Paul, if you are to run for parliament, for God's sake don't promise me anything. I can't afford half the promises I now have." I wonder how much of that is the story of this budget. Here we have another budget with a sickening deficit, a frightening deficit.

Some hon. Members: Hear, hear.

Mr. St. Pierre: It is astonishing to hear applause from people who inaugurated this type of deficit budgeting. They led us into this morass. This has gone on for too long, Mr. Speaker, but for the moment I will leave this government out of it—for the moment.

Not since the government of Right Hon. Louis St. Laurent has a government in Canada had the courage to tell the people that they are not getting anything except what they pay for. The principle of governments for the past decade, Conservative and Liberal, has been, first, that we look at something and say, "It would be nice to have it." Then, egged on by the irresponsible splinter parties we do what we want and then wonder where the money is to come from. If we cannot find it, we are surprised. This time, again, the money is not there.

Before I speak specifically about the budget there are one or two other matters I want to raise. For a moment I want to speak of myself. I am quite ignorant of the operations of this house, though I might be a little wiser when I sit down tonight. That does not worry me too much because a very wise man said once that to know your own shortcomings is the beginning of wisdom. I also remember the advice of a senior British Columbia politician who said, "When you are a young member you will lose some fights you should have won; when you are an old member you will win some fights you should have lost; and in the balance the country will have been served." I do not know whether he was right, but his words give me some comfort at this time.

Also, I wish to speak about Coast Chilcotin. I realize that a remark like that will be greeted with a certain amount of cynicism in this house. Some will think that I am talking about my constituency, for the benefit of my constituents. I do not have to talk about Coast Chilcotin for my constituents; they know their own country. It is important that people from the east should know about Coast Chilcotin and British Columbia to a greater extent than they now do. So, if I may, I will talk about my own country of Coast Chilcotin. In area it is about 50,000 square miles. That is about the same area as all three maritime provinces combined, and it is by no means as easy to get around in. Why? Because we have rain forests. We still have a few Douglas firs which reach to over 300 feet in height, higher than the peace tower here. We have some coastal fiords that are over 100 miles long.

One section of the riding, the Sunshine Coast on the Georgia strait, has a climate approximating that of the Mediterranean shores of Turkey. Then, within sight of that same coastline are a mountain range and perpetual snows, where the climate is Arctic.

On the interior plateau we have jackpine, sagebrush, cactus and grassland, tens of thousands of square miles which are one of the last areas of this continent where open range ranching is still conducted. So far as I am aware one of the last cattle drives of the north American continent north of the Mexican states moves through my riding of Coast Chilcotin. Pan Philips of the frontier cattle country still drives east across the plateau of Quesnel, because there are no roads. This is a great, empty, dusty country. An old friend of mine said to me one day. "You know, I was almost a man before I found out there was anything else to eat."

In between the high plateau and the coastland are mountains that go up to 13,000 feet. It is splendid, isolated mountain country. Yet, Mr. Speaker, even while I use these words I realize how difficult it is to talk about my country in words, because I realize that we are all at some disadvantage in Canada in maintaining a dialogue between the eastern and the western parts of our country.

We often talk about the same things in different terms, one example being in sports fishing. In the Coast Chilcotin country, Mr. Speaker, we consider ourselves good sports fishermen and think our country contains excellent salmon and trout. In my part of the country, Mr. Speaker, we do not hesitate to take a six inch fish; an eight inch fish is a good size to take and a 12 inch fish you really talk about. You can just imagine my feelings when I heard easterners discussing casually 18 inch, 24 inch and 30 inch fish. I found it hard to believe what I heard. But, as in so many other ways, Mr. Speaker, we have here a mere difference of standards. In the east you measure a fish from the fork of the tail to the nose; in Chilcotin we measure between the eyes.

Some hon. Members: Hear, hear.

Mr. St. Pierre: There are a few other matters I ought to bring up at this time, too. You easterners seem to be obsessed about who was first in this country. I say to hon. members here that the first men in this country were Indians, who comprise 10 per cent of the population of my riding. They deserve a far better approach and better treatment

from the lordly whites than they have had for a century or more. Yet this is not the time to discuss Indians, since there will be other, more appropriate occasions for that discussion.

I want to say to eastern Canadians that if you are weary sometimes of the bickering that seems to beset many parts of eastern Canada, there is still room for you in the west. The people there do not give a tinker's damn about who you were, what your religion is, what your race is or was, or anything like that. They are only interested in where you are going.

I brought a letter with me from an old friend of mine in Chilcotin. He has retired from his ranch and has a little more time to read, sit, and think, and occasionally he pulls out his stubby old pen and writes to me. I wish to read these two paragraphs from his letter:

> Let us pray that the Government will be granted great wisdom in dealing with Quebec and that Canada will come out of it and not two rival cultures geared to past wrongs.
>
> All I can remember about the capture of Quebec is that Wolf was reciting "Grey's Elegy" and I would offer to forget it, but probably can't.

• (5:00 p.m.)

We have different attitudes on the west coast and, in beginning with the first of my two or three specific examples, I want to talk about Bella Coola. As hon. members probably know Bella Coola is down on the saltchuck below the Chilcotin plateau, on the salt water. It was settled by Norwegians from Minnesota in 1894 or 1895. That was just one century after Sir Alexander Mackenzie reached that place—the first white man north of Mexico to cross the north American continent by land. Even today there are only a couple of thousand people in Bella Coola. I ask hon. members to consider what these couple of thousand people have done. They had no telephone system years ago, so they built their own telephone system. They called it the Bella Coola telephone system, but they shortened that to "B.C. telephone" which was very handy because the British Columbia Telephone Company had the same initials. Naturally, Bella Coola refused to change the shortened name although the British Columbia Telephone Company occasionally felt a little irritated, I am told.

Bella Coola had no road connection with the outside until very recent years, indeed in the 'fifties. So the townspeople built their own road. It went 6,000 feet up the face of the coast mountain range to the crest and then connected with another road in the interior plateau. As happened in the case of the telephone system, which was later taken over by the federal government telephone system, and eventually by the larger British Columbia telephone system, the road has been taken over by the provincial government. But the people themselves built it. They built it with their own money, not with government money.

Recently they wanted television in this valley, so they applied to the C.B.C. Of course, the abominable no-men of the C.B.C. gave a number of reasons for not supplying such a service. So Bella Coola is putting in its own system. So far, these people have raised $12,000. They have placed a receiver on a 5,000-foot peak on King island which is catching a signal from a transmitter near Ocean Falls. This signal will then be bounced into the valley by another station. And the homes will be covered.

Of course, word of all this has finally reached whichever government board is concerned about such matters, and the people of Bella Coola have now been given 450 linear feet of forms to fill out to ask permission so that they may do this. I would suggest that permission be given very quickly, because if they send an inspector in there somebody is liable to take a shot at him. The letter, of course, is similar to all government letters written in our great democratic society. I wonder how many hon. gentlemen in this chamber can recall an occasion when the democratic government which they support ever wrote them a letter which did not contain a threat, open or implied? This is the way in which government communicates with its citizens. Again, I say it would be a good plan if the people of Bella Coola got their licence very quickly for the service they have built.

There is one other thing. They lacked an airport. They built a small one near the townsite, but it was too short. Then they scraped another one up—just an airstrip but encountered some difficulty with regard to land ownership. During the last couple of years they have built a 5,000-foot gravel runway which is used on a regular basis by British Columbia air lines flying jet-prop twin-engine planes once a week.

I am sure hon. members would be interested to know how large a part the federal government played in this operation. I am happy to say I can give them this information.

Ottawa's help in building this airstrip almost a mile long was—not one cent. Not one red cent. This is not good enough, Mr. Speaker, for the west. It is not good enough for Bella Coola. It is not good enough for Coast Chilcotin. It is not good enough for British Columbia. We are a little weary of paying our taxes for high tariffs, for subsidies, for subventions. Sometimes it seems to us, perhaps a little unfairly, that we do nothing but build in the east with the federal taxes we pay, while we ourselves have an older idea, one which still works, that we should go out and do the job ourselves.

There is the case of the Pacific Great Eastern Railway, an extremely important link in British Columbia, running north and south. How much money did we provide for the C.N.R. the other day? I forget how many millions it was, because millions come and go here in such a hurry. But there were no such millions set aside for the extension of the Pacific Great Eastern Railway in British Columbia. For one short section we got the magnificent construction subsidy of $25,000 a mile. For most of it, again, we got nothing.

Along the coast of the Coast Chilcotin riding we find federal docks. But the commercial fishermen of my riding pay, and pay heavily, to moor at these docks. It is only recently I learned that on the Atlantic coast such charges are seldom heard of; a federal dock is considered to be free to commercial fishermen.

Mr. Crouse: If I may interrupt the hon. gentleman, that is not correct. Fishermen on the east coast do pay for the use of public works. We resent paying these charges, but nevertheless they are made.

Mr. St. Pierre: I thank the hon. member for his correction; I will end my speech a wiser man, and check my facts a little more carefully before I speak again.

My time is running out. I should like to say a few words about the budget. Frankly, I feel sorry for the Minister of Finance (Mr. Benson), because it seems to me that all he has been offered is, really, a choice of which colour hair shirt he wants to wear. I am convinced that he and the government must bring our fiscal affairs into far better balance than they have been for the past ten years. The question is: Is he doing it? Rather than complain about taxes I think it is fair for hon. members of this house to ask themselves: Is the tax high enough?

I heard the Leader of the Opposition (Mr. Stanfield) say a while ago that there is nothing sacrosanct about a balanced budget. And of course, predictably, while this debate was going on I heard one of the members of the New Democratic party speak of the "utterly irrelevant concept" of a balanced budget. I find this a little difficult to believe.

It is true I am not an economist. On the other hand, it is also true I have never made an error of $400 million in a forecast. But I do find it hard to believe we can go on, recording deficit after deficit, year after year, without experiencing inflation which robs the poor, the old, people living on pensions, the unorganized and the helpless. Inflation is robbing these people, and no matter what the economists say I do not believe this country can survive a continuous deficit.

• (5:10 p.m.)

I don't have to go to Niagara Falls to know that water runs downhill. So I say government should have courage. It should have the courage to take the hard line. The Leader of the Opposition spoke of the hard line as being somehow reprehensible. I believe this country needs a government which has the courage to face hard facts and do the hard things that need to be done. I say to this government that in all apparent probability they have a full four years to operate here, and in that four years the people of Canada expect them to put the fiscal house in order. If they fail to do so I do not believe they will be forgiven for it.

As to the budget, does it show the necessary courage in facing the true facts of what we are spending and what we are taking in? I can only offer one man's opinion, Mr. Speaker, and at this time mine would be the old Scottish verdict: not proven.

In this connection and in closing, sir, I would like to quote a passage well known to members of the house, Lord Acton's "Power tends to corrupt, and absolute power corrupts absolutely." But usually, Mr. Speaker, this is the extent of the passage quoted. Lord Acton said more and I wish to add the rest, "Power tends to corrupt, and absolute power corrupts absolutely. Great men are almost always bad men. There can be no greater heresy than that the office sanctifies the holder of it." I think we should all, large or small in this chamber, think of this. It is of course a generality, and no more accurate than any generality ever is. But I think there is a modern paraphrasing of it that fits. I would say, "Big

government always tends to be bad government. There can be no more sorry error for government, or for unions or for business, than to think that bigness is its own justification".

Bigness does not necessarily mean efficiency. It does not necessarily mean fairness. Bigness is a burden. The bigness of this government is a burden to the efficiency of it, and a burden in many ways to the very people it is supposed to be serving.

Some hon. members might very well say to me that I should be constructive, that it is all very well to criticize bigness in government, and ask what I propose to do about it? It is fair that they should ask this question. A man should be constructive in his criticisms.

So, do I want to see Canada return to a village economy? Well of course I don't, Mr. Speaker. Do I want to abandon all the social legislation that is giving some protection, however inefficient in some cases to those who are poor? No, I do not. What is my solution? Well, Mr. Speaker, I did not come to this house bearing any magic formula to solve all men's ailments. I am not a member of the New Democratic party.

Some hon. Members: Hear, hear.

Mr. St. Pierre: Sometimes, Mr. Speaker, I think it would be wonderful to be as certain and self-righteous about anything as the N.D.P. are about everything. But to return to my hypothetical question, what solution is there to the curse of big government? I say that I do not know; but I say also, Mr. Speaker, let us realize that bigness is a threat and that bigness is a burden. Let us recognize it is a continuing burden on the nation. If we recognize this we will have ground on which to stand.

If we are conscious of big government's frequent unconscious tyranny, then we may be able to find a path to the better life which the nation expects this parliament to find. At least we will have recognized our own weakness and that, as I said at the beginning of these remarks, might be the beginning of wisdom. I thank the hon. members of the house for their courteous attention.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, the government's estimates covering spending for the current fiscal year, the frequent public statements of the Minister of Finance (Mr. Benson), his devious and deceptive explanations and apologies for our present deplorable financial situation and, finally, the budget he presented to us last month all combine to present a picture that is both pathetic and frightening. The plain fact seems to be that we are broke: The federal till is empty. With all our tremendous resources and potential wealth we are short of money to pay necessary undertakings.

It seems incredible, but nevertheless true, that in the midst of plenty we are in want. A nation that is among the richest in the world, that enjoys a standard of living among the highest to be found anywhere, is teetering on the verge of bankruptcy. If anyone believes this to be too extreme a statement, let him read the statements of members of the government, including the Prime Minister (Mr. Trudeau) and the Minister of Finance, over recent months. Let him study the figures placed before this house by the minister, and try to interpret the minister's many deliberately complex and involved statements on the state of our national business operation.

What these all boil down to is that we are spending more than we are taking in, that we have lost control of expenditure and have little hope of acquiring new income without resort to dangerous and undesirable methods of financing. To keep out of receivership we have had to cut off vitally necessary national projects. We have had to refuse to embark on any equally vital expansion and development plans, and resort to finding petty cash by desperate and distasteful means.

We are like any business that is over-committed. We may have vast potential and great assets but we are desperately short of operating cash. Small businesses in such circumstances try to stave off the inevitable bankruptcy by juggling the books, high interest borrowing and other methods that are not considered good business practice. The federal government is squeezing the taxpayer wherever possible and borrowing from the Canadian public at high cost. It cannot undertake any new expenditures, no matter how sensible or urgent, and is content to live hand to mouth, day to day, on the cash it can pick up by resort to any expedient.

It is interesting to try to find out how they got themselves and the country in such a sorry state. I believe that the greatest offenders in bringing us to the edge of the financial cliff have been the open-ended, shared cost programs that have been instituted and expanded in the recent years of Liberal government. There are several factors that have made what should have been, and could have been, great national assets into a crushing

burden on the Canadian taxpayer and the Canadian economy. One factor was the failure of the federal government to provide controls on these programs, permitting them to turn into runaway give-aways. Another was the abysmal failure of the minister and his officials to forecast properly the rate of increase in the cost of the programs.

Those glaring failures have turned these programs into sinks down which our tax dollars flow uncontrolled, and at an ever faster rate. Provision of health services, expanded educational facilities and more effective welfare programs are worthy aims. My criticism is of the manner in which the federal government approached the problem of extending assistance to the provinces in achieving these aims. They took an unrealistic and irresponsible approach. They followed a blank cheque philosophy that encouraged effort to be squandered and expenditures to run amuck.

• (5:20 p.m.)

The result today is that the Canadian people are not receiving anywhere near a dollar's return on a dollar spent. Before these schemes were embarked upon a decision should have been made concerning what our objective is in the field of health and education, what our national goals should be, and what standards we wish to work to. It seems to me that common sense and good management require that a decision first should be made concerning what is desired, what one can afford to spend to get what is desired, how much should be spent and how it should be spent. This should be the case whether it is the head of a family, the operator of a business, the prime minister or the finance minister of a government.

This budget is a desperation budget. It is not sufficient to cover more than the pocket money needs of the minister's colleagues. It does not begin to meet the demands of this government's insatiable spending appetite. To offset some of the uncontrolled and skyrocketing costs the minister will have to borrow. He will be able to cover petty cash by gouging the taxpayer.

There is nothing for the provinces. Indeed, the minister has effectively appropriated all reasonable areas of increased taxation, sealing them off from the provinces when at the same time he has said that they must not look to Ottawa for revenue but must raise revenue by new taxes. The provinces will be left with federally inspired bills to pay, but no means of paying them. The present minister has merely echoed the sad cry of his predecessor to the provinces by saying, "Look after yourselves; raise your own money". It is a case of every man for himself, with a vengeance.

I should like to turn now to the main factor in the government's present trouble; that is, the federal-provincial shared cost programs. The minister has admitted that unforeseen costs in connection with these programs led to the present critical financial situation. He admitted this casually, without any sign of guilt. I believe such laxity and such slipshod careless work in connection with something so important falls little short of criminal negligence. What assurance have members of this house or the Canadian taxpayers that the figures with which the minister is now dealing have any basis in fact or bear any relation to the true figures. On the minister's record and on the record of his experts I would think it might be a good bet that they are miles out.

Let us take a look at just one example of this financial forecasting. In the September 26 issue of the Winnipeg *Free Press* Maurice Western made some observations on the minister's situation. At one place he wrote:

> The essential trouble was that Mr. Benson fell into error last spring, permitting himself excessively optimistic forecasts on the basis of intelligence gleaned from his computers or crystal balls or, perhaps, reading of the entrails of migratory birds. So little control does the government possess over some of the programs into which it has entered that in one case—post secondary education payments—it was out last spring in its ultra refined calculations by no less than 100 per cent, representing $137,500,000.

One of the problems in calculating cost increases, of course, is that the federal government had only vague and ill defined goals in each field of assistance and failed to impose any ground rules and basic figuring on prices, wages and other costs that immediately became obsolete when the programs went into effect on a scale and at a level that bore no relation to previous conditions in the fields of health, education and welfare.

Not only did the federal government operate on a "blank cheque" philosophy but it ordered everyone to go "first class" all the way. No provision was made for a ceiling, for supervision or for administrative or operating standards. It was just a case of, here it is, spend it.

The Prime Minister has forecast that the federal share of these programs will grow to more than $7 billion in the next four years. He made this forecast with an air of hopeless inevitability that makes one wonder why he

and his government are resigned to this uncontrolled growth rate. The federal share of shared cost programs has tripled over the past seven years to $1.8 billion. We are not dealing with small potatoes when we get into that bracket. There is worse to come. No one knows what amount medicare will add to the stupendous spiralling costs, because as yet it has barely made an impact upon the economy. Post secondary education costs are leaping ahead of federal forecasts. The cost per pupil for education at all levels is up 28 per cent this year to $1,000 per head, compared to $777.

University operating costs per student stood at $1,600 in the year 1960-61. By the year 1965-66 this figure had risen to $2,100 and this year it is $2,900. The estimate for next year is a per student cost of $3,500. In other words, the rate has accelerated from an average increase of $100 per head to $600 per head per year today. When we talk about uncontrolled and accelerating increases this must be a record of some kind. It is interesting to note that the chief forecast in this area, that of the Bladen report of three years ago, predicted the $3,500 per student level would not be reached until 1975. In the Winnipeg *Tribune* of October 10 Michael Cassidy of the *Financial Times* wrote:

> The reasons for the shared cost nightmare are difficult to piece out in detail. But there has been uncritical acceptance of rising costs and little zeal in challenging the sacred cows of education and medicine.

This "uncritical acceptance" sticks out all over every explanation the government makes concerning the inevitability of increase. Mr. Cassidy wrote further:

> Politicians have brought universities, hospitals and doctors into the public sector but have behaved as though they were still in the private sector. Now every taxpayer is paying the price.

This unrealistic approach, this failure to lay down ground rules and set bounds, has made accurate forecasting difficult if not impossible. We are obviously seven to eight years off in our cost predictions. What such an error can do to national financing is demonstrated by the necessity for repeated apologies and corrections by successive ministers of finance, and the empty tills at Ottawa and at every provincial capital.

The federal growth rate in the cost of the three principal shared cost sinkholes is 20 per cent a year for post secondary education, 15 per cent a year for hospital care and a probable 15 per cent for medicare. These are only estimates and the real rate may be much higher. What this amounts to is negligence and irresponsibility on the part of the federal government. The government has originated plans, sold them to the provinces on the basis of political popularity and easy money, and then has neglected to limit them in any way. I should like to quote Mr. Cassidy once more:

> It seems clear that Ottawa has turned the provinces' heads by lavishing 50 cent dollars for them to spend.

The result of this prodigal approach has been to condition the provinces to look to Ottawa for ever larger amounts of fuel to stoke their spending furnaces. This sloppy thinking has brought the inevitable result of Ottawa having to tell the provinces the fuel dump is exhausted. The federal government's only recourse has been to tell the provinces to raise their own money from their own resources. On the one hand it has lured the provinces into high sounding enterprises with the bait of easy money and, on the other hand, it has failed to take steps to ensure that the money would be forthcoming when most needed. The government has been delinquent too in urging upon the provinces the most expensive forms of operation. It should be said however that the blame rests in part on the provinces. They have been irresponsible in looking only for higher and ever higher federal handouts, and new areas in which to tax, rather than tackling the basic problem of controlling costs of operating the various schemes.

The fact remains that the provinces were conned by the federal government. Every better business bureau across Canada periodically warns the public to read the fine print in contracts, to "read before you sign". I am afraid the federal government must shoulder the blame for plunging the provinces into too many politically popular programs too fast, and too carelessly.

According to the Montreal *Gazette* of October 1 the director of the Canadian Tax Foundation 10 years ago, in 1958, predicted that federal spending would increase this year to a figure of at least $7¾ billion. The actual figure is 10.8 billion. The *Gazette* commented:

> The consequences are plain enough: If spending remains out of control, taxes will be out of control. Who wants that?

• (5:30 p.m.)

The record of the minister and the Department of Finance in estimating future costs, and rates of cost increases, is woeful. It could be very damaging. Reasonably accurate forecasting is the necessary basis for orderly

budgeting. We all recall the Minister of Finance guaranteeing forecast figures. He said, "We will hit our $10.3 billion ceiling and will balance our budget this year". Events have shown how worthless such ministerial guarantees and forecasts are. His long record of explanations, revelations and predictions on financial matters has been, to use the words of Maurice Western of the Winnipeg *Free Press*, "one part blood and many parts political whitewash."

Canada deserves something better. We should have a complete reassessment of all federal-provincial shared cost, open-ended programs to determine what we want and just where and how far we want to go in each area. There is a gaping self-inflicted wound in the national economy. In financial terms, we are gradually bleeding to death. Someone must apply a tourniquet quickly and then set about healing the wound.

There are many areas covered by this budget with which I would have liked to deal. However, I have chosen to concentrate on this one important aspect because I believe it to be most crucial. A little common sense and a few basic business principles applied to the vitally important task of providing effective and efficient health, educational and welfare services to our people are necessary. These form such a gigantic part of our national expenditure that we cannot afford to be careless or wasteful. Nor, I believe, can we afford luxuries beyond our means and income. Let us decide therefore what we must have and what we can afford, and then set about spending toward these in a sensible and businesslike way. If we continue to live beyond our means the inevitable end is national bankruptcy and the international dole.

Mr. Martin P. O'Connell (Scarborough East): Mr. Speaker, I propose to base my remarks on certain tax changes and new taxes appearing in the budget, and I intend to venture a few proposals for tax reforms. I should like at the same time to take the opportunity hopefully of staying within the broad confines of the budget, and say something of the special problems faced by post-secondary students in their efforts to finance post-secondary education. I think this whole subject fits into some of the aspects of the budget.

May I say first that I agree with and expect there will be broad acceptance, and even welcome, in respect of certain tax changes and reforms brought forward in this budget. I refer particularly to changes in the estate taxes, a reduction by one half in tax-free reserves in the banking system and the new taxes at a moderate level on investment income by life insurance companies. I refer also to the regulations insuring that depletion allowances for mining, oil and gas companies henceforth will be taken only on a net position after deducting all exploration and development expenses of a group of related companies. These are reforms that make for greater equity, as well as for an increase in necessary revenue. They are in accord at least in these areas with the Carter commission proposals.

Let me refer at greater length to the 2 per cent social development tax and the associated $120 ceiling. I cannot welcome this tax with anything like the same degree I welcome other sections of the budget. I understand the need for the 2 per cent social development tax, and in principle I do not oppose this kind of user tax or premium, as it is described. I want to refer to it in relation to other similar taxes—flat rate taxes with ceilings already in the personal income tax area.

When we relate these to other areas we can see them in a different perspective. I think we have to question the equity of these taxes at this time, even though we know we are on the threshold of tax reforms which may change the whole picture. We hope to see these tax reforms in the next four to six months.

In order to point out my objections, if I may call them that, to this social development tax, I should like to draw the attention of hon. members to certain trends in personal income tax in the four year period ending with the next fiscal year, 1969-70. This means necessarily that I will be making some estimates, which I have based as closely as possible on the budget papers and my own estimation for the coming year.

When we look at the four year period we find a rapidly growing reliance on personal income tax to fund the budget and the old age security fund, which I think we should take into consideration when we talk about income tax and the new social development tax. Let me refer to personal income tax in terms of the budget and the old age security fund, as well as the new social development tax, in order that we may have a total picture of the uses being made of personal income tax in this four year period ending the next fiscal year.

When you look at that you find personal income taxes will increase from $3 billion in round figures at the beginning of this four year period—that is 1966-67—to $5 billion. The exact figure for the first period is $3,051 million. I am calling that $3 billion because I do not want to make my remarks tedious by quoting exact statistics. My estimate of the figure for the final fiscal year is $5,060 million. Taking these figures we see that personal income taxes will increase by roughly $2 billion, or two thirds in the four year period. These taxes will then be contributing close to 40 per cent of the total requirements of the budget, the old age security fund and these new social development programs. This will mean an increase of from about 31 per cent at the beginning of the period, to 40 per cent.

This burden of personal income tax is growing or increasing in respect of one of the smallest labour forces in the western world, representing roughly 37 per cent of the total population compared with from 40 to 48 per cent in other countries like the United Kingdom, the United States, France, Italy and Germany. We have a relatively small labour force on which we are now placing an increasing burden through personal income tax. We have to be concerned with the equity of this tax and the distribution of that burden throughout the population on the basis of personal income tax.

What do we find when we look at this question of equity? We find that while the income tax is growing at this rate, so also is growing even more rapidly that portion of the personal income tax which is now subject to a ceiling. I am using the same four year period for this discussion and I want to make it clear that these figures include estimates for the current fiscal year.

The personal income tax subject to a ceiling will increase from $577 million to $1,360 million or by 134 per cent. What we find therefore is that personal income tax is growing by about two thirds of the total, but that the portion of that which is subject to an upper cutoff is growing by 134 per cent, or at twice the rate of growth of total taxes.

• (5:40 p.m.)

This portion of the total tax that is subject to the ceiling has risen from 19 per cent of total income tax to 26 per cent or 27 per cent when the period ends next fiscal year; or to put it another way, something over one-quarter of the personal income tax is now subject to flat rates and associated ceilings. I think this represents a loading of the personal income tax in the middle and lower income areas, and it represents a protection against escalation of income tax at the upper income levels or at those levels that begin perhaps at $9,000 gross income or $6,000 taxable income, just to use approximate figures.

This loading at the middle and lower income end, as we seek to finance programs, intensifies the inequity in the personal income tax, and I think it makes it ever more urgent that the reforms expected to be shown to us in the next four to six months have something to say about the personal income tax in the way of greater equity, and will indicate the character that some of those reforms will take. I would like to refer to those later. I think, too, this build-up at the lower and middle income area suggests that the whole notion of flat rate and ceilings, now that the proportion is so high, should be challenged as to its usefulness. Perhaps it is an obsolete technique in the personal income tax.

Mr. Gilbert: When are you going to join us?

Mr. O'Connell: I want to say again, Mr. Speaker, as I began, that I think this kind of tax may have a useful place if used in small doses and with particular reference to certain programs; but I point out that we now have four percentage points and a ceiling of $240 as related to old age security, and on top of that we have now put two percentage points into the tax total. I think we have to think of it in this total package, and the inequity it brings with it.

I would like to suggest some alternatives, rather than simply criticize personal income taxation. The first is that if we do continue this kind of tax, would it not make sense to incorporate the 2 per cent social development tax with the 4 per cent old age security tax attributed to personal incomes and call it a social security and social development tax, if you like? The point would be that then we would have an opportunity, looking at the 6 per cent that would apply, to graduate the tax, perhaps starting with four percentage points, going to five, six and perhaps seven; then also to graduate the ceiling in order to accommodate it to various income tax brackets. I think that if we kept the tax we could apply more equity to it and reduce the loading which currently applies at the middle and lower income area.

People would still in fact be kept in this tax, but the proportions they would pay would vary more closely with incomes. This would not be so good, in my view, as dispensing with the technique entirely and incorporating the tax into the personal income tax in the tax reforms that are to come, and doing it in a manner that will spread the burden more equitably.

I also want to draw attention to the fact that corporations have not been asked to share in the social development tax. I think that is perhaps an oversight. I appreciate the difficulties faced by the Minister of Finance and I appreciate his reasoning in not increasing corporation and sales taxes, since this might well add to costs and prices. However, I point out that corporations contribute to the old age security tax, which is a similar kind of tax, and in fact they are going to contribute something like $190 million this fiscal year, which represents 11 per cent to 12 per cent of the total old age security tax this year.

I think it would have been appropriate to have required some contribution from the corporations to the social development tax. I think this is all the more appropriate in that the corporations did not share in the increase in the old age security tax of January 1, 1967, when personal income tax contributions were doubled from 2 per cent to 4 per cent and the ceiling was raised from $120 to $240. I would like to make that point and to make these suggestions to the Minister of Finance in the hope that he will consider them as useful. I couple these suggestions with the comment that in the coming tax reforms—if I might be bold enough to make a few suggestions in view of these remarks—some attention ought to be given to raising the basic exemption and the allowances for dependents, if this loading is going to be left at what I think is the middle and lower income area.

Also, Mr. Speaker, I want to state publicly here that I think it would be only in the direction of equity to impose a capital gains tax in the tax reforms, so that if indeed this protection against escalating personal income taxes is to continue, higher incomes which frequently take much of their incomes in non-taxable forms will make a contribution through a capital gains tax.

I would like to move to the second aspect of my remarks this evening. This is in the area of post secondary education. The Minister of Finance has drawn our attention to the rapidly escalating costs in federal contributions. We know now that the estimate of $137 million is doubled to $275 million this year. I would like to draw attention to another aspect, however, of financing post secondary education. I refer to the part played by the students themselves. I know that this government has now guaranteed the loans of private lenders to students in the amount of about $180 million.

This means of course that students are undertaking that amount of financing of their own education; at least that amount, and indeed much more since they do not borrow entirely. I have grave reservations about putting students so deeply in debt for post secondary education. I do not want to get into that aspect of the subject this evening, but only to draw attention to the fact that students are making a significant contribution to post secondary education.

I wish to go from that point to a question which I think should interest the house, and that is to the provision of summer employment opportunities for students. I wish to do this because I recognize, as I think we all do, that large numbers of students seek entry into the labour force from mid-May to mid-September, that is, in a four months period. In the past summer many students found it very difficult to obtain employment, with the result that unknown numbers may not have continued their education, and higher numbers than otherwise will be obliged to go further into debt in order to finance their education.

These results may well repeat themselves not only because of the growing numbers of students, but because whenever the economy is in a slow growth phase coinciding with the summer months this situation occurs. Hon. members may be interested in certain trends which help to measure the problem to which I am alluding, and which suggest the need for this government, in collaboration with the provinces, taking some remedial steps.

Let me indicate some indices of growth in the post secondary school population. I draw these figures largely from the reports and special studies of the Economic Council of Canada. The present student enrolment in post-secondary institutions stands at about 300,000 persons. It is expected to reach 383,000 in two years and approximately 540,000 by 1975, a short seven years away. The rapid rate of increase of almost a quarter of a million students in the next seven years is due not only to the growth in the 18 to 24 years age group, which supplies students to the post secondary field, but to an even more rapid

rise in the enrolment ratios in universities and other institutions.

• (5:50 p.m.)

Let me illustrate it in this way. The size of the 18 to 24 year age group in the decade from 1965 to 1975 will grow from 2 million to 3 million persons, that is to say by 50 per cent, whereas the number of students from that group who will be enrolled in the post-secondary institutions, according to the estimates, will grow from 206,000 to 540,000, that is to say by 160 per cent. Now, the age group grows by 50 per cent, the student enrolment by 160 per cent and, to come back to my point, by a quarter of a million people between now and 1975 or an additional 30,000 to 35,000 students every year.

I want to relate these facts to the labour force, since there are problems students will find in pressing their way into that labour force. That difficulty leads me to make some suggestions to this government. I am sorry to give these figures to the house but I think they illustrate the dimensions of the problem. In the same decade, from 1965 to 1975, the labour force in Canada is estimated to grow from roughly 7 million to 9½ million persons, or by 34 per cent. At the same time, because of the more rapid rate of growth in the student population, the number of post secondary students in relation to the labour force will increase from just under 2 per cent in 1960 to just under 3 per cent in 1965, to 4½ per cent of the labour force in 1970 and 5¾ per cent of the labour force in 1975. I am trying to say that the post secondary students will form an increasing proportion of the potential labour force in the decade ahead of us, roughly from 3 per cent to 5¾ per cent of the labour force.

It could be said therefore that the post secondary students seeking job opportunities in Canada are going to find that they are seeking these opportunities at the very time that our labour force will be growing at its most rapid pace in our history, at a substantially higher rate than any other industrial country. It is going to be extremely difficult for these students therefore to find places when the labour force itself is struggling to find places for its members in an expanding economy.

To illustrate the dimensions of the growth of our labour force, and to highlight this problem, may I say that the Economic Council of Canada has pointed out that between 1965 and 1980, a 15 year period, the actual growth in the Canadian labour force of some 3½ million people will more than equal the growth in the labour force of the United Kingdom, West Germany and Italy combined. I think this illustrates the real pressure of growth in the labour force of our country. I will not pause to comment on the enormous burden this lays on the economic and fiscal policies.

I want to say, in contrast to some speakers on the other side, that I have absolute confidence in the Minister of Finance (Mr. Benson) and the leadership he has already shown in this budget in the fiscal and economic policies to meet these problems of growth and of job opportunities. But I want to come back to the point that no policies will be more important than the ones we pursue in education, in the post secondary field in particular. In order to assist these students to find their place in the rapidly growing labour force, I would like to make a few suggestions. I think we will need to take a special approach to a special situation. It is an historically unique situation which may not repeat itself, at least in our generation, when there will be a great surge forward not only in the labour force but in the number of students.

Among these special efforts several, I suggest, are open to the federal government through its concern and interest in employment. I will not mention the fact of our contributions to financing education, but on employment grounds alone I would like to suggest that, perhaps through the Department of Manpower and Immigration, some federal-provincial discussions concerning job opportunities for students might take place not only in traditional areas but perhaps in areas especially designed to suit their needs, such as part time employment which they would require. Surely there are job opportunities that would not only contribute to their financing problems but would also contribute to the public assets in various ways. One need only mention the anti-poverty program, and development in our north, as just two of those areas. I think we should have a survey of the number of students who, say, last summer sought jobs, what kind of jobs they sought, how many were successful and how many were turned away. I think also we should go to the young people themselves, particularly the students, and seek their help in finding ways in which they could be gainfully employed in the summer months. I may say also in this connection that I would like to express a very strong interest in the idea

advanced by the Secretary of State (Mr. Pelletier) when he suggested a youth service on a voluntary basis. I think this might well be applied to the special problems of post secondary students.

I should also like to suggest that perhaps we should look at the winter works incentive program, which we have now discontinued, to see whether we should not consider a summer works incentive program on a trial basis and apply it to the financial needs of post secondary students.

The Acting Speaker (Mr. Béchard): It being six o'clock this house stands adjourned until tomorrow afternoon at 2.30 p.m.

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

HOUSE OF COMMONS

Thursday, November 7, 1968

The house met at 2.30 p.m.

PRIVILEGE

MRS. MACINNIS—APPOINTMENTS TO CANADIAN CONSUMER COUNCIL

Mrs. Grace MacInnis (Vancouver-Kingsway): I have a question of privilege to raise. It arises out of the announcement yesterday by the Minister of Consumer and Corporate Affairs of the personnel of the new Canadian Consumer Council. Among those named is Mr. A. J. E. Child, president of Burns Foods Limited of Calgary. To my mind this raises a question of privilege.

A few days ago I drew to the attention of this house a complaint from Calgary about a frozen confection known as fudgsicles, manufactured by the Woodland Dairy of Edmonton. On the wrapper it states that these fudgsicles contain three fluid ounces. Numerous checks, both before and after the complaint was made, have established that these fudgsicles contain only two and one half ounces. A written report dated October 25 from the Chemical and Geological Laboratories Limited of Calgary stated that their actual average fluid measure was found to be 2.516 ounces.

It is now more than three months since the complaint was lodged. Although the complainant was assured by the minister's office on August 28 that the matter was in hand and that the complainant would be notified when the report was finalized, to the best of my knowledge he has had no further word, either of the progress of the investigation or of the finalization of the report. Meanwhile, if the evidence is correct, the public is still being defrauded by the sale of these Woodland Dairy fudgsicles; and it would seem there is substance to the complaint.

When I outlined the matter in the house last Monday night the minister's parliamentary secretary stated:

> While shortages in volume of fluid ounces were found to be smaller than those reported to the department, fudgsicles checked by the displacement method had volume content somewhat below declared value.

And again:

> I am advised that the dairy products division will again make special checks in addition to its normal program of control, in order to determine whether the reported shortages are indicative of a current production problem or are limited to a small stock from older production.

Mr. Speaker, if the public is being defrauded it is being defrauded, whether by current production or older production matters not a scrap. Surely if rotten potatoes or bad meat were found in circulation they would be withdrawn, certainly within a period of more than three months. If these fudgsicles were found by the department to be under advertised content they should have been withdrawn from sale immediately. Instead, it is apparent that the department is allowing the Woodland Dairy ample time to sell them to an unsuspecting public.

Now, Mr. Speaker—and this is my question of privilege—the minister has appointed the president of Burns Foods Limited, the firm of which Woodland Dairy is an affiliated subsidiary, to serve on the Canadian Consumer Council, the body which is just now being established to protect consumers.

It is needless for me to labour the point. Until this whole matter has been thoroughly investigated and the complainant notified of the result, I feel strongly that the appointment of Mr. Child to the Canadian Consumer Council should be held in abeyance. If Your Honour agrees with me that this is a prima facie question of privilege, I am prepared to make a motion that consideration of Mr. Child's appointment be referred to the appropriate committee.

Mr. Thomas M. Bell (Saint John-Lancaster): On the question of privilege, with respect to these appointments to the Canadian Consumer Council, I wish to object to the absence of an appointment from the well known province of New Brunswick.

• (2:40 p.m.)

Mr. Speaker: Having heard both hon. members on the question of privilege I feel I can give a ruling immediately. I have very serious doubts as to whether there is a prima facie case of privilege. The hon. member must realize that the privilege with which we are

Proposed Legislation

concerned is parliamentary privilege, which has been defined on a number of occasions. I fail to see how the parliamentary privilege of any individual member or of the members collectively is being affected adversely by the proposed appointment to which the hon. member has referred.

There may be a genuine, valid grievance by the member against the minister, against the department or the government, but I suggest with great respect to the hon. member that this does not qualify the matter to the extent that it can be considered a question of privilege which would require the suspension of the work of the house for the purpose of considering the motion which the hon. member wants me to put to the house.

In view of the circumstances I would rule that it is not a prima facie case of parliamentary privilege.

COMMITTEES OF THE HOUSE

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS—CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. John M. Reid (Kenora-Rainy River) moved that the second report of the standing committee on broadcasting, films and assistance to the arts, presented to the house on Tuesday, November 5, be concurred in.

Motion agreed to.

NATIONAL RESOURCES AND PUBLIC WORKS—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Leonard Hopkins (Renfrew North) moved that the first report of the standing committee on national resources and public works, presented to the house on Tuesday, November 5, be concurred in.

Motion agreed to.

CRIMINAL CODE

AMENDMENT TO REMOVE VAGRANCY SECTIONS

Mr. Kenneth Robinson (Lakeshore) moved for leave to introduce Bill No. C-126, to amend the Criminal Code (vagrancy).

Some hon. Members: Explain.

Mr. Robinson: Mr. Speaker, I am pleased to have the opportunity of presenting this private bill to amend the Criminal Code with regard to the section dealing with vagrancy. I am prompted in part by an article which

[Mr. Speaker.]

appeared in the Toronto *Telegram* of October 24, 1968—

Mr. Speaker: Order, please. The hon. member cannot make his speech now in support of the bill. The standing orders allow him to make only a very brief comment.

Mr. Robinson: Thank you, Mr. Speaker. Section 164 of the code reads:

> Every one commits vagrancy who
>
> (a) not having any apparent means of support is found wandering abroad or trespassing and does not, when required, justify his presence in the place where he is found;
>
> (b) begs from door to door or in a public place;

The proposal is that both these subsections be removed. The purpose of the bill is to remove from the Criminal Code the offence of vagrancy where no moral turpitude is involved, in order to restrict it to the field of social justice, its rightful place.

Motion agreed to and bill read the first time.

[*Translation*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

AMENDMENT TO CHANGE NAME OF MISSISQUOI CONSTITUENCY

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council) moves to introduce Bill No. C-127 entitled: "An Act to amend the electoral boundaries readjustment Act".

Some hon. Members: Explain.

Mr. Forest: Mr. Speaker, this bill provides simply for a change in the name of the electoral riding of Missisquoi to that of Brome-Missisquoi.

Motion agreed to and bill read the first time.

[*English*]

TRADE

WHEAT—ABILITY TO MEET EXPORT COMMITMENTS

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Would the minister assure the house that the Canadian Wheat Board is filling its export commitments on schedule and that the board is not in fact falling behind in any commitments by reason of any delay in moving the wheat to a forward position.

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I think this question should be directed to the Minister without Portfolio from Saskatoon-Humboldt, who is acting for the Minister of Trade and Commerce.

Mr. Stanfield: Perhaps the Minister without Portfolio would be kind enough to answer my question.

Hon. Otto E. Lang (Minister without Portfolio): I shall be very pleased to check again into this matter. I certainly have no knowledge of any such problem, but I shall be glad to look into it for the Leader of the Opposition.

Mr. Stanfield: If the minister should find that in fact there are any delays, would he made certain that the authorities or he himself gets in touch with the railways concerning the provision of box cars or supplementary methods for this purpose? Also, in view of the absence of the Minister of Trade and Commerce from the house, the minister might give some indication whether the U.S.S.R. will exercise its option to purchase 150 million bushels of wheat.

Mr. Speaker: The first supplementary appears to be hypothetical. The minister may wish to answer the second supplementary.

Mr. Lang (Saskatoon-Humboldt): Mr. Speaker, I was about to say that I would be glad to give the assurance to the hon. gentleman about the hypothetical supposition. With regard to the latter part, may I say that it remains the position of this department that these matters are not appropriately discussed in the house. This is not the proper place for this.

Mr. Eldon M. Woolliams (Calgary North): Due to the fact that 60 per cent of the grain in western Canada has been harvested either as damp or tough, is there any arrangement to market that grain earlier than other grain?

Mr. Lang (Saskatoon-Humboldt): The Canadian Wheat Board has established a three bushel advance quota for damp wheat, which on the basis of the information we have concerning the stocks on hand should go a long way toward solving the basic part of this problem.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, to what does the minister refer when he says this is information which is not given in the house? On the basis of past practice I have asked a question as to whether a nation is going to take up its option. I repeat the question to him because I am sure he could not have been clear when he answered it the way he did. Does the U.S.S.R. intend to exercise its option and accept the wheat it has undertaken to accept under the open option that exists?

Mr. Lang (Saskatoon-Humboldt): Mr. Speaker, it will be apparent to hon. members that to some extent the question involves states of mind to which I may not have immediate access. The whole point of the question has to do with the issue of how negotiations in fact are going. I really suggest it is not in the interests of the Canadian farmer that this be discussed in this house.

Mr. Diefenbaker: If the state of mind of the minister is such that he has no information on this subject that is one thing. Is that what he means regarding the state of mind?

Mr. Ed Schreyer (Selkirk): Mr. Speaker, since it is understood that two directors of the Canadian Wheat Board are in the U.S.S.R. at the present time under rather special circumstances, I should like to ask the Minister without Portfolio whether a statement will be made to the house this week, or very soon.

Mr. Lang (Saskatoon-Humboldt): I can only say to the hon. member that when it is possible to make a statement which will not in any way have an adverse effect on the negotiations going on, that statement will be made.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I should like to ask the minister whether the government is considering any other measures to meet the very serious problems of the grain growers in western Canada, as the present programs outlined in the legislation which have been discussed are quite inadequate.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I should like to ask the Minister without Portfolio what amount of grain will be dried at terminal elevators during the winter months, and to what extent the wheat board will be prepared to make additional or supplementary quotas available prior to the spring weather.

Mr. Speaker: Order. Will the hon. member not agree that his first question asks for detailed statistical information?

Mr. Korchinski: Mr. Speaker, I was suggesting to the minister that he make this information available to the house and the country.

Inquiries of the Ministry

Mr. George Muir (Lisgar): Mr. Speaker, has the Minister without Portfolio or the Minister of Trade and Commerce had any discussion with railroad officials as to their ability to supply an adequate number of box cars to facilitate the movement of tough and damp grain as the Canadian Wheat Board opens quotas for that purpose?

Mr. Lang (Saskatoon-Humboldt): Mr. Speaker, I will look into the question as to exactly what stage these discussions have reached, and provide an answer.

Mr. John Burton (Regina East): Mr. Speaker, I should like to ask the Minister of Agriculture whether the report of the Saskatchewan minister of agriculture in respect of the condition of the grain, referred to by the minister in the house yesterday, concludes that grain drying facilities in Saskatchewan are adequate; and is the minister prepared to make this report available to interested members?

Mr. Speaker: The first question inquires about conclusions in respect of a report. I doubt whether this is in order. Perhaps the second part of the question might be answered by the minister.

Mr. Olson: Mr. Speaker, I wish to thank the hon. member for giving me notice of this question. As far as making the report available in the house is concerned, let me say that this report was in the form of a telephone conversation I had with the minister of agriculture for Saskatchewan. I am not prepared to say whether the capacity of these dryers is adequate, but simply that it is far in excess of anything that was available in any other year.

In answer to the other part of the question I should say that the Board of Grain Commissioners has all inland drying terminal facilities on a 24 hour, five day a week basis. As soon as sufficient quantities of tough and damp grain have been moved into these terminals they will operate on a 24 hour, seven day a week basis.

BARLEY—REPORTED SALE BY AUSTRALIA TO JAPAN

On the orders of the day:

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I would like to direct my question to the Minister of Trade and Commerce but in his absence I direct it to the Minister without Portfolio. What action will the minister take to prevent further erosion of our traditional Japanese barley market, in view of the sale by Australia yesterday of enough barley to supply Japan for several months, reportedly due to our inflexible pricing system?

Mr. Speaker: Order, please. It seems to me that the question asked by the hon. member is of a very general nature, and that he is now asking the minister to make a statement which normally should be made on motions.

IMMIGRATION

DISTRIBUTION OF PAMPHLET AS TO AVAILABILITY OF HOUSING

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, since the prices of rental housing accommodation and privately owned homes have been rising steadily, does the Minister of Manpower and Immigration believe his department should be distributing to prospective immigrants to Canada a pamphlet which tells them that "The shortage of accommodation...particularly in the form of rental—" should improve shortly?

Mr. Speaker: The hon. member might ask a new question. His first question as asked is clearly argumentative, but I will allow him to ask another one.

Mr. Orlikow: Mr. Speaker, does the minister know that his department is distributing a pamphlet which tells prospective immigrants housing both for rent and purchase at reasonable prices is available to them if they come to Canada?

Mr. Speaker: Order, please. I understand that the table has already received written notice of a similar question, and I believe this question is properly one for the order paper.

[*Translation*]

CANADIAN BROADCASTING CORPORATION

QUEBEC—COVERAGE GIVEN TO POLITICAL PARTIES

On the orders of the day:

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, my question is directed to the hon. Secretary of State.

In view of the reply he gave yesterday to my question No. 513, as given on page 2476 of the *Hansard*, according to which the C.B.C. allotted the Parti québécois five hours and forty-one minutes on the French network,

and three hours and five minutes on the English network, for a total of eight hours and forty-six minutes, from October 10 to October 15, 1968—

Mr. Speaker: Order. The hon. member should put a question and not make a speech.

Mr. Rondeau: —while, during that is the same period, only an hour and thirty-seven minutes were allotted to the Ralliement Créditiste, can the hon. Secretary of State explain that attitude on the part of the C.B.C.?

Mr. Speaker: I suggest that the hon. member should put his question on the order paper.

Mr. Fortin: Mr. Speaker,—

Mr. Speaker: The hon. member must put a different question, since the question of the hon. member for Shefford (Mr. Rondeau) was considered out of order, under the circumstances.

Mr. Rondeau: Mr. Speaker, I should like to put my question before the house at ten o'clock tonight.

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to put a question to the hon. Secretary of State.

What are the norms applied by the C.B.C. concerning the use and allottment of broadcasting time to political, non-political or other movements?

I know that the minister can answer my question, Mr. Speaker, for he told us the other day that he would inquire into the matter.

Hon. Gérard Pelletier (Secretary of State): I can give no specific information on this matter today, Mr. Speaker, but I shall be glad to inquire into it.

Mr. Fortin: Mr. Speaker, I should like to put a supplementary question to the hon. Secretary of State, to follow the answer he made a moment ago.

Can he, at this time, give us the assurance that a complete report on the general policy of the Canadian Broadcasting Corporation with regard to the use and allottment of its broadcasting time to all political, non-political or other movements will be tabled soon?

Inquiries of the Ministry

MONTREAL—CONSTRUCTION OF PLACE RADIO-CANADA

On the orders of the day:

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I wish to direct a question to the hon. Secretary of State.

In view of a statement he made yesterday or a few days ago, concerning the construction of Place Radio-Canada in Montreal, can the minister tell us whether the work will start as scheduled on December 1 or does he expect further delays?

Hon. Gérard Pelletier (Secretary of State): I have no information, Mr. Speaker, which would indicate that further delays are expected.

[*English*]

EXTERNAL AFFAIRS

RUSSIA—REPORTED BOYCOTT OF CELEBRATIONS BY CANADIAN DIPLOMATS

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I would like to direct my question to the Prime Minister. It relates to the reported boycott yesterday by Canada's diplomats, or the dean of the diplomatic corps in Moscow, of the celebrations relating to the October 1917 revolution in the Soviet union. I ask the right hon. gentleman whether his government and party intend to carry out the same sort of boycott with respect to the reception this evening at the Soviet embassy.

Mr. Speaker: Order, please. I am not sure whether the question is in order, but in view of the fact that there are doubts in my mind I am prepared to give the hon. member the benefit of the doubt and allow the Prime Minister to answer.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I have no list of members of our party or our cabinet who might or might not be going, or who might have been invited to that reception.

Mr. Woolliams: Are you going?

Mr. Trudeau: Personally I am not going. I just want to tell the hon. member that if he goes, I hope he will get some caviar.

Some hon. Members: Hear, hear.

Mr. Howard (Skeena): A supplementary question, Mr. Speaker. The type of caviar I enjoy is that which comes from a west coast salmon. It is much more delightful—

Some hon. Members: Hear, hear.

Inquiries of the Ministry

Mr. Speaker: Order, please. Having heard the reply and the hon. member's comments, I am satisfied that perhaps I should not have allowed the question in the first place.

INQUIRY OF THE MINISTRY

On the orders of the day:

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I should like to address a question to the right hon. Prime Minister. In view of the cancellation on Monday by the Hellyer task force on housing of a scheduled inspection of slum housing in Yellowknife, Northwest Territories, so the task force could attend a party instead, and thus the inspection was never held, would the Prime Minister advise his minister in charge of housing that the primary purpose of this task force is to better acquaint itself with housing conditions in Canada and not to attend parties?

Mr. Speaker: Order, please. The hon. member for Athabasca.

Mr. Hees: Mr. Speaker, since I have not received an answer to that question—

An hon. Member: It is a silly question.

Mr. Speaker: Order, please.

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Minister of National Health and Welfare, but since he is not here today I will delay it until tomorrow.

EXTERNAL AID

BIAFRA—SUSPENSION OF RELIEF FLIGHTS

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is for the Prime Minister. In view of the report that Canadian relief flights have been grounded since Monday by reason of the failure to get a positive answer from Colonel Ojukwu to the Prime Minister's appeal, announced in the house on Monday, that he should consent to daylight flights to Uli for civilian relief purposes only, through what means of communication has this appeal to Colonel Ojukwu been made and what answer, if any, has been received?

Right Hon. P.-E. Trudeau (Prime Minister): I should like to say, based on the premise of the question, that the grounding did not result from the suggestion made to Colonel Ojukwu, but rather took place for other reasons. It took place apparently as the result of an attack damaging aircraft under Caritas and under Red Cross charter on the ground at Uli. I believe that as a result of that attack the Red Cross has suspended all flights to Uli, at least until yesterday. Therefore the suspension was not linked in our minds to what we had requested of Colonel Ojukwu.

I have been asked what means we took to inform Colonel Ojukwu of our position. It has been our experience in the past that any statement made in Canada, particularly in the House of Commons, is known by him very quickly, but for greater certainty we asked the Red Cross to convey to him the substance of our message.

Mr. Brewin: Mr. Speaker, I have a supplementary question. Has the Prime Minister received any answer from Colonel Ojukwu, and if not would he consider telephoning New York 212-687-5280, where he can get a response within two minutes?

Mr. David MacDonald (Egmont): A supplementary question, Mr. Speaker. Can the Prime Minister tell us whether our government has made any representations to the government of Nigeria about the strafing of this field, in view of the fact that the possibility of our own planes being hit are very great; and would he tell us also whether arrangements are being made for flights to be resumed to Biafra in this very necessary relief effort?

Mr. Trudeau: Yes, Mr. Speaker, we did make representations to be conveyed to the authorities at Lagos to the effect that we hoped they would not embark on these activities until we had an answer from Colonel Ojukwu.

I suggest that if my hon. friend can telephone the person in New York to convey this information I will give him 10 cents to make this call.

Mr. MacDonald (Egmont): Mr. Speaker, I wonder if the Prime Minister would also like to answer the last part of my question about when we can expect to see these flights resumed. Does he have any idea how long we will have to wait?

Mr. Trudeau: Mr. Speaker, I regret as much as anyone in this house that there has not yet been a response from the Biafran authorities. Until there is such a response we will of course not be able to make day flights. With regard to the night flights, it was the decision of the Red Cross to ground the planes, and I cannot speak for them with regard to when they will resume these flights.

Mr. MacDonald (Egmont): Mr. Speaker, I have a further supplementary question.

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

Mr. Speaker: The hon. member for Greenwood who has a question of privilege has precedence.

Mr. Brewin: The right hon. Prime Minister offered me 10 cents to put in a call to New York. Let me tell him that I already have the information he wants, and I will give it to him for nothing.

Mr. Trudeau: Mr. Speaker, if the purpose of the question period is to get information, why did the hon. member ask me a question if he already has the information?

Mr. MacDonald (Egmont): I have a supplementary question, Mr. Speaker. In view of the Prime Minister's comment that the Red Cross is unable at present to send planes into Biafra, he and his government might reconsider making arrangements with the churches for the use of our Hercules aircraft, as two flights took place last night from Sao Thomé under the auspices of the churches.

Mr. Trudeau: The position of the government has been quite clear on this. We would not let any of our official governmental planes fly over Nigerian territory without their authority. The Nigerian government told us they would give authority for the flights if we chartered our planes to the Red Cross but would not do so if we chartered them to the churches. There is an additional reason, which was mentioned by the Secretary of State for External Affairs last week. It is that flights from Sao Thomé are carrying a great deal of arms, and the Nigerians have some suspicions as to what might be flown from there.

HOUSING

URBAN RENEWAL APPLICATIONS FROM SMALLER COMMUNITIES

On the orders of the day:

Hon. D. S. Harkness (Calgary Centre): Mr. Speaker, I have a question for the Minister of Transport which in his absence I presume will be taken by the Minister without Portfolio, the hon. member for Winnipeg South. The question is whether Central Mortgage and Housing Corporation has been ordered or asked to delay or to cease granting approval to urban renewal applications, particularly those from smaller communities.

Inquiries of the Ministry

Hon. James Richardson (Minister without Portfolio): Mr. Speaker, there are urban renewal schemes under way in municipalities, both large and small, throughout Canada subject to agreements with the Central Mortgage and Housing Corporation. Under these agreements moneys are and will continue to be paid out. The amount committed but not yet billed for is $114 million. New applications, however, are being deferred until the task force on housing completes its studies and reports early in the new year.

Mr. Harkness: I have a supplementary question, Mr. Speaker. Do I understand from the minister's answer that the intention is not to grant any more applications for urban renewal once this $114 million has been expended?

Mr. Richardson: As I explained, Mr. Speaker, there is no intention not to grant more money, but grants will simply be deferred until the task force has completed its studies.

Mr. Frank Howard (Skeena): I have a supplementary question for the Minister without Portfolio. I should like to ask him whether he has either been assigned or has made application for the portfolio designed to handle housing, inasmuch as the minister responsible for that task is never here.

Mr. Speaker: Order, please.

Hon. Robert L. Stanfield (Leader of the Opposition): I have a supplementary question, Mr. Speaker. I should like to ask the Minister without Portfolio whether C.M.H.C. generally is marking time and is reluctant to approve applications until such time as the report with regard to housing is received from the task force.

Mr. Richardson: No, Mr. Speaker. I think the figures I have revealed would indicate they are not marking time. There simply is a deferment in this one area.

AIR TRANSPORT

EDMONTON—COMPENSATION FOR WINTER SERVICE REDUCTION

On the orders of the day:

Mr. Steven E. Paproski (Edmonton Centre): In view of the answer given yesterday by the Minister without Portfolio to my question regarding the reduction of service to Edmonton by Air Canada on its winter schedule, namely that decisions concerning compensation for flight service reduction come under

the jurisdiction of the Canadian Transport Commission whereas scheduling appears to be the prerogative of the airline involved, is the minister now in a position to clarify the role of the commission in compensating Edmonton for this reduction of service by Air Canada?

Hon. James Richardson (Minister without Portfolio): Mr. Speaker, as I explained in my answer yesterday the allocation of routes is a responsibility of the Canadian Transport Commission. These routes are constantly being reviewed. I have no specific information about any application with regard to Edmonton at the present time.

Mr. Paproski: A supplementary question, Mr. Speaker. Would the minister say what authority the Canadian Transport Commission has with regard to approving schedule changes such as this?

Mr. Speaker: Order, please. I doubt if the supplementary question is in order. The hon. member is asking for an interpretation of the law and I doubt whether, in the circumstances, the question could be answered.

Mr. Paproski: I will take it up at ten o'clock, Mr. Speaker.

[*Translation*]

DOMINION-PROVINCIAL RELATIONS

POSSIBLE FEDERAL WITHDRAWAL FROM HEALTH INSURANCE PLANS

On the orders of the day:

Mr. Henri Latulippe (Compton): Mr. Speaker, I should like to put a question to the right hon. Prime Minister.

Does the government intend to withdraw from medicare in the near future, and let the provinces be solely responsible for it?

Are we to expect a statement to that effect shortly?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, as I said the other day, the act provides for a 5-year period before this matter comes up for study, and that is the reply to the hon. member.

[*English*]

TRADE

WHEAT—INQUIRY AS TO MISSION TO RED CHINA

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prince Albert): I was going to direct my question to the Minister without Portfolio from Saskatchewan, but he is out of the chamber at the moment. He just left a moment ago. I should like to put it to the Minister of Agriculture, who I am sure has the information. Is there at the present time a mission in red China on behalf of the wheat board for the purpose of endeavouring to increase sales of wheat to that country, or at least to find additional markets there? If the mission has returned, has it been able to give an optimistic report which would give western farmers a sense of assurance that the vast amount of the wheat that is piled up will have markets found for it?

Hon. H. A. Olson (Minister of Agriculture): I am sure the right hon. gentleman realizes that the answer to this question is the same as the Minister without Portfolio gave, that it is not in the best interests of the farmers to advise where we are trying to sell wheat.

Mr. Diefenbaker: I should like to ask the minister, in view of that answer, must members of parliament secure their information from the press rather than from ministers? That information was in the press as the result of a press release which came from the department itself.

Mr. Ed Schreyer (Selkirk): I should like to ask the Minister of Agriculture if he has received communications from municipal councils and other organizations in the Red river valley of Manitoba asking him to declare that area a disaster area, and have there been any replies.

Mr. Olson: Replies have been sent, Mr. Speaker, to all communications that have come to my office from municipal councils in Manitoba.

FARM MACHINERY

REQUEST FOR REPORT OF ROYAL COMMISSION

On the orders of the day:

Mr. A. P. Gleave (Saskatoon-Biggar): I should like to direct my question to the Minister of Agriculture. Can the minister inform the house when the Barber commission on farm machinery will report; and is the commission investigating the wide discrepancy reported to exist between the list prices of identical farm tractors in the United Kingdom and Canada?

Hon. H. A. Olson (Minister of Agriculture): I have asked Dr. Barber for an interim report. In so far as the other specific inquiry is concerned, I can convey the interest of my hon. friend to the commission.

YUKON QUARTZ MINING ACT

REQUEST FOR INTRODUCTION OF AMENDING BILL

On the orders of the day:

Mr. Erik Nielsen (Yukon): I should like to direct my question to the Minister of Indian Affairs and Northern Development, and ask him whether the bill to amend the Yukon Quartz Mining Act is ready for introduction, and if so when it is the intention of the government to introduce it? While the minister is answering perhaps he could say when he intends to table the Carr commission report, in view of the widespread distribution it has already received.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, as far as the first part of the question is concerned, I hope to be able to introduce the bill on the Yukon mining resources very shortly. It is a fairly bulky bill consideration of which, we expect, will be completed soon, so that it can be tabled in the next few weeks. I apologize; I thought it could be tabled before, but it has been impossible for me to do so.

Now, for the second part of the question, I must say that the problem is one of French translation of the report. I expect that this will be completed shortly and that it can be tabled within a few weeks.

[*English*]

Mr. Nielsen: A supplementary question, Mr. Speaker, on the Carr commission report. In view of the fact that the English version has received widespread public distribution, could the minister at least table that version for the benefit of members of the house?

[*Translation*]

Mr. Chrétien: Mr. Speaker, this is a matter of principle. With a view to helping out the members, I myself prepared a summary of the conclusions of the report and sent it to all the members. However, I feel that the reports should be tabled in both languages. When the French version of the report is ready, we will table both versions in the house. I shall do my utmost to have it done in the very near future.

Inquiries of the Ministry

[*English*]

TRANSPORT

REQUEST FOR RESTORATION OF RAIL SERVICE, TORONTO-NEW YORK

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I should like to direct a question to the Minister of Transport, but in his absence I shall direct it to the Minister without Portfolio. My question is, have steps been taken as yet to restore railway passenger service between the city of Toronto and the city of New York?

Hon. James Richardson (Minister without Portfolio): Mr. Speaker, I would be glad to look into that matter, but I really do not understand the reference to restoring rail service.

Mr. Nesbitt: The matter has been brought before the house on various occasions by myself. There is no railway passenger service between the city of New York and the city of Toronto. I thought since I have asked the question previously the minister, who has certain responsibilities in the field of transport, would probably be aware of it.

CONSUMER AFFAIRS

CONSIDERATION OF DRUG DISTRIBUTION AND PRICING PRACTICES

On the orders of the day:

Mr. James A. McGrath (St. John's East): My question is for the Minister of Consumer and Corporate Affairs. Can the minister tell us whether, as promised in his remarks of October 17 to be found at page 1511 of *Hansard*, the question of drug distribution and pricing practices was on the agenda of the recently convened federal-provincial conference?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): This was a closed conference, Mr. Speaker. My officials and those of the Department of National Health and Welfare did outline to provincial officials our plans with regard to our program to try to reduce drug prices. I do intend, as I outlined in those remarks to which the hon. member referred, at a later date after Bill No. C-102 has been dealt with in this house, to meet with provincial officials and authorities with specific reference to distribution at the retail level.

Inquiries of the Ministry

Mr. A. D. Hales (Wellington): May I ask a supplementary question of the Minister of Consumer and Corporate Affairs. Will he advise the house when he will bring forth the white paper on prices and costs which was promised the house some time ago?

Mr. Basford: I intend to have something to say in this regard tomorrow during the course of the budget debate.

Mr. Lincoln M. Alexander (Hamilton West): I have a supplementary question for the Minister of Consumer and Corporate Affairs. It arises out of a speech the minister gave to a seminar of the Montreal board of trade at which he outlined in some detail the government's plans with regard to an overhaul of the present corporation laws. Will the minister tell the house when we may expect to hear his statement on this matter so this house may be in the same position as the Montreal board of trade?

Mr. Speaker: Order, please. The hon. member must admit that is not a supplementary question. It may be related, but in any event he cannot ask a question in those terms relating to statements made outside the house.

INDIAN AFFAIRS

REPORTED INSTRUCTION IN RIOT TECHNIQUES

On the orders of the day:

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I wish to address my question to the Minister of Indian Affairs and Northern Development. We were recently informed by the Canadian Broadcasting Corporation's Indian magazine that our Canadian Indians are being taught riot techniques. Will the minister advise the house what action he is taking in this regard?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I will take the question as notice. I will answer the hon. member tomorrow or Tuesday.

[*English*]

PUBLIC SERVICE

CONSIDERATION OF COMMITTEE REPORT RESPECTING PENSIONS OF SUPERANNUATED CIVIL SERVANTS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct this question to the Prime Minister, or the Minister of Finance, or the government house leader. In view of the addition of the strong voice of the hon. member for Grenville-Carleton (Mr. Blair) to those pleading for an increase in the pensions of retired civil servants, and in view of the many references that are made to the report of the joint committee tabled on May 8, 1967, will the government provide an opportunity for the house to concur in that report so it will be aware of the support of this house for its recommendations.

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I have nothing to add to my previous answers to this question. In any case, I think there would be a technical difficulty in having the house concur in a report of this committee to a previous parliament.

Mr. Knowles (Winnipeg North Centre): May I direct my supplementary question to the government house leader. I can assure him that before I prepared my question I studied my procedure. I am asking him whether he will consider providing time for the house to consider the report that was tabled last year, so the house may express its opinion on that report.

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I have nothing to add to the answer given by the Minister of Finance.

Mr. Knowles (Winnipeg North Centre): As a further supplementary question, Mr. Speaker, may I ask the Prime Minister whether increases of pensions for retired civil servants are still under consideration.

Mr. Benson: Mr. Speaker, there is nothing to add to the answer I gave my hon. friend a week or so ago.

Mr. Knowles (Winnipeg North Centre): Ten o'clock, Mr. Speaker.

RURAL DEVELOPMENT

PROPOSED CENTRALIZATION OF ATLANTIC REGION PEOPLE

On the orders of the day:

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, my question is for the minister who ultimately will be responsible for regional development. In view of the cultural and economic euthanasia resulting from the government's centralization of the people of the Atlantic region, can the minister say whether this centralization is based on economic and sociological studies?

Mr. Speaker: Order, please. I would think the question asked by the hon. member is too wide in scope, and ought to be answered by way of a general statement.

Mr. Lundrigan: Mr. Speaker, in view of the announcement by the Minister of Fisheries that the population of the Atlantic region is to be mobilized and moved to more productive areas, so to speak, could the question not be answered?

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, I am prepared to make a speech.

Mr. Speaker: This is what I am afraid of. The hon. member must realize that this type of question can only be answered by a lengthy statement, and that would give rise to the legitimate opposition and objection of hon. members on both sides of the house. That is why I think his question ought not to be asked at this time, and ought not to be answered.

Mr. Lundrigan: Then may I rephrase my question, Mr. Speaker. Is there any truth in statements coming from colleagues of the minister that people of the Atlantic region are to be centralized in a suburban region outside Toronto?

Mr. Speaker: Order, please. I think that question is out of order.

AGRICULTURE

SUGAR BEETS—PHASING OUT OF SUBSIDY

On the orders of the day:

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, yesterday I directed a question to the Minister of Agriculture. He said it would be safe to assume that he could give a more detailed reply tomorrow, that being today. I wonder if we may hear that reply.

Hon. H. A. Olson (Minister of Agriculture): With regard to the inquiry of the hon. member yesterday about transitional adjustment grants to Ontario sugar beet growers, I have been advised that it will be necessary for us to request approval of parliament for the provision of the necessary funds to make these payments. It is our intention to bring forward a supplementary estimate for this purpose at the first opportunity, as soon as the calculations are finished.

Inquiries of the Ministry

THE CANADIAN ECONOMY

PROPOSED JOINT COMMITTEE AND INDEPENDENT AGENCY TO STUDY ECONOMIC AFFAIRS

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to ask the Prime Minister whether the government has now reached a decision regarding the repeated recommendations of the Economic Council of Canada that the government ought to establish a joint committee of the Senate and House of Commons on economic affairs and also an independent agency on economic studies.

Right Hon. P.-E. Trudeau (Prime Minister): Yes, Mr. Speaker. We have given consideration to this and feel there is nothing to be gained by setting up a joint committee of the House of Commons and the Senate. The House of Commons determines its own procedures and it can, in its present economic committees, hear witnesses who are members of the economic council and thus achieve the same end. We feel therefore it is not necessary to set up such a joint committee.

Mr. Stanfield: A supplementary question, Mr. Speaker. Could the Prime Minister answer the second part of my question, which relates to the recommendations of the Economic Council of Canada that an independent institute should be established for economic studies?

Mr. Trudeau: I beg your pardon. An independent what?

Mr. Stanfield: That an independent institute for economic studies ought to be established. That explicit recommendation has been contained in successive reports of the Economic Council of Canada.

Mr. Trudeau: Mr. Speaker, as the Leader of the Opposition knows, we announced in the speech from the throne that there will be consideration given to setting up an institute for domestic studies, that is domestic research on administrative problems in Canada. This project is being advanced and I will be announcing later in the day the nomination of a man from the private sector of the economy to advise us of ways we might approach such an institute. But on the other aspect of the question, we are not proceeding.

BUSINESS OF THE HOUSE

Mr. G. W. Baldwin (Peace River): On a point of order, Mr. Speaker, might I ask the government house leader to advise us of the government intentions with regard to next week's program?

Hon. Donald S. Macdonald (President of the Privy Council): Yes, Mr. Speaker. Today, tomorrow and next Tuesday, November 12, we will continue with the remaining days of the budget debate, so long as the debate continues. If it should not run its allotted time we would then deal with the budget resolution. As hon. members know on Monday, November 11, the house will not be sitting. On Wednesday we would call third reading of Bill C-124, with respect to the financing of the Canadian National Railways, being item No. 24 on today's order paper. After that has been dealt with we will call the resolution preceding the bill to establish a freshwater fish marketing corporation, which is item No. 30 on today's order paper. It would not be the government's intention to proceed with that bill at this stage of the session beyond the resolution stage, but we shall be calling it for the purpose of enabling the resolution to pass so the bill could be made available for study by those interested in its proposals.

On Thursday next we shall proceed to the budget resolutions, and in dealing with those resolutions we would commence with that amending the Customs Tariff and then follow with the others. On Friday next we will call committee of supply.

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I direct a question to the government house leader. Can he say when the government will be in a position to bring in legislation dealing with the fisheries price support board?

Mr. Macdonald (Rosedale): We will be dealing with that but I cannot advise the hon. member when. Certainly it will not be within the next week.

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed, from Wednesday, November 6, consideration of the motion of Hon. E. J. Benson (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the amendment thereto of Mr. Lambert (Edmonton West) (page 2262).

[Mr. Trudeau.]

Mr. John Gilbert (Broadview): Mr. Speaker, a colleague in my party has described this budget as a colossal fraud which has the full support and blessing of the chamber of commerce. I wish to underline that statement. The Minister of Finance has taken an approach that is typical of an accountant. It is obvious that he is more interested in figures and balances than in people, human problems and human resources.

• (3:30 p.m.)

The best example of this is the imposition of the 2 per cent social development tax with an upper limit of $120, which indicates the minister's concern for the upper income group compared with the majority of Canadians. The speech of the hon. member for Scarborough East (Mr. O'Connell) last evening indicated his concern about the decision of the Minister of Finance (Mr. Benson) to lessen the impact of this tax on the middle and upper income groups. In this connection I recall the statement made recently by the Prime Minister (Mr. Trudeau) in Halifax to the effect that he intends to reduce the amount of income tax payable by those in the higher income brackets. He attempted to show that people in the higher income groups already pay tax at the rate of 80 per cent and that it would be unfair to impose an additional 2 per cent tax without modification.

The approach taken by this government is a simple one. It is its duty, it says, to raise taxes in order to pay for government expenditure, and since the government has increased its spending, which may have contributed to inflation, the best thing it can do is to impose taxes and create a slack in the economy. It calls this taking the fire out of inflation.

We have taken the position that there is nothing sacrosanct about balanced budgets. I recall that the late President Kennedy used deficit financing in the early sixties to get the United States economy out of the doldrums. We believe that balanced budgets are not the answer to the problems which face Canada today. The action taken by the Minister of Finance was taken in the face of a report which according to the minister's own economic white paper, showed that the rise in prices reached a peak in 1966, declined a little in 1967, and declined further in the first half of 1968. For example, there was a 4.5 per cent rise in prices in 1966, a 3.9 per cent rise in 1967 and a 3.3 per cent rise in the first half of 1968 compared with the first half of 1967.

Thus, contrary to the inflation psychosis of the Minister of Finance and the chamber of commerce, the rate at which prices have been rising has moderated over the last year and a half.

It is clear that the minister, without stating any specific policies, has opted for price stability to the detriment of full employment. The minister shows no concern for the 500,000 or more unemployed in Canada. It is true that full employment is an elastic concept and one to be achieved at the risk of some price inflation and some marginal trade-off of one for the other. But for obvious social reasons most Canadians prefer to accept a little inflation in order to obtain the full employment of men and resources, putting us in a better position to assist those groups which are most seriously affected by the rise in the cost of living, for example, pensioners, the old and the handicapped. The budget does nothing to obtain full employment or to assist the poor and elderly people of Canada.

We in the New Democratic party put people first, and this is why we would direct the economy to the attainment of full employment and increased productivity. By attaining these goals we can fulfil the basic needs of all groups in society and give people a pride and dignity worthy of achievement. This is why we in the New Democratic party support the principles and proposals set forth in the report of the Carter Commission. We do so because of the tax equity which would be achieved by following those recommendations. And this is why our monetary policies would be directed to full employment. Again, it is with this in mind that we have advocated a prices review board to prevent unwarranted and unjustified price increases such as are being imposed on Canadians today.

Tinkering with the economy by making the insurance companies pay their fair share of taxes, by making the banks, mortgage lenders and institutional lenders reduce their tax deductible reserves from 3 per cent to 1½ per cent and by making the corporations accelerate their tax payments, as the government proposes, are steps in the right direction. But the refusal of the government to use fiscal and monetary policies in order to obtain the goals set out by the Economic Council of Canada, namely, full employment, a high rate of economic growth, and the equitable distribution of rising incomes, makes this a disappointing and disheartening approach to the so-called just society, especially when it is coupled with the almost total rejection of the proposals of the Carter commission on taxation and complete lack of attention to the Watkins report on foreign ownership in Canada. I am reminded of a saying which is going the rounds in the cocktail circle today when people discuss political matters. Many people are saying: Don't blame me; I didn't put him in. This is an attitude which is quickly developing among Canadians today.

I should like to address the main burden of my remarks to Canada's most serious social problem today, the crisis in housing. There was no reference to this serious subject in the Speech from the Throne, and the only reference to housing conditions in Canada in the minister's budget statement was to the effect that the capital budget of the C.M.H.C. next year would reflect the conclusions of the government after it had received the views of the special task force on housing. Mr. Speaker, this travelling circus called a task force should be summoned home at once. It should be made to present an interim report and the government should act on that interim report immediately. To wait until the task force makes a final report will mean that no action can be taken until spring. In this connection I think we heed the slogan which the minister of labour used in his advertisements: Don't wait 'til spring, do it now!

The federal government must accept the major blame for the housing crisis in Canada today. The economic council in its fourth annual report placed emphasis on the shortage of housing and recommended an annual target of 200,000 homes a year—190,000 new homes and 10,000 replacements for older homes. This figure does not take account of the shortfall in housing during previous years as evidenced by the number provided—165,000 in 1965, 134,000 in 1966 and 160,000 in 1967. Looking at these figures one can understand the shortage of housing which Canada is experiencing today.

• (3:40 p.m.)

The Minister of Transport (Mr. Hellyer), who is in charge of housing, proudly boasted in September that housing starts would reach a seasonally adjusted rate of 187,000 units based on the housing statistics of C.M.H.C. in its monthly supplement for August. However, the September supplement indicated a seasonally adjusted rate of only 155,000 housing starts, and the Minister of Transport then had to draw $170 million from the capital moneys allocated by Central Mortgage and Housing Corporation for public, low rental and senior citizens housing to finance direct loans and

loans on condominium housing to increase the housing stock. This action by the minister indicates the failure of the government to take a leadership role in solving Canada's housing crisis.

Why has there been a housing crisis, Mr. Speaker? Why is there a shortage of housing and why are homes so expensive? The shortage in housing has been caused because this nation has not made up its mind that it wants decent housing for all its citizens. Housing should be regarded as a right and not a privilege, in the same way as we regard education. If we regarded education in the same way as we regard housing the majority of Canadian children would have a hard time getting inside a classroom.

We have also regarded housing with an almost complete dependence on private enterprise and the rules of private profit. This is why only 65 per cent of the people in Canada can take care of themselves in the matter of housing accommodation.

The solution lies in some form of social housing that is not for the benefit of investors, for the regulation of the economy, or for the purpose of making profit, but which has no other purpose than to provide homes for people. It is obvious that probably about 35 per cent of our people cannot go it alone in housing. That is why, if we had 20 per cent of our housing starts in some form of public housing and about 15 per cent in some form of co-operative housing, we would probably be the best housed people in the world. Of the 164,000 homes that were built last year only 10,000 were public and co-operative units.

The philosophy of the government, as reflected in C.M.H.C., has been a policy of letting the private institutions, the private lenders, take care of most of the home building. The corporation assumes the responsibility of providing the moneys for public and low income housing. C.M.H.C. set aside $500 million to take care of this sector but just last month we found out that these moneys were not taken up for public and low income housing and in fact the minister had to transfer $170 million out of this fund to initiate more homes and housing starts. This indicates that the policy of having the private institutions provide the money for private homes and having the government take the responsibility for public and low cost housing has not succeeded.

Why are homes so expensive, Mr. Speaker? The two main reasons are the high cost of land and the high interest rates. The cost of land has reached prohibitive prices. In the city of Toronto the average lot ranges between $8,000 and $10,000, and this is indicative of the high price of land throughout the country. In the city of Toronto the average cost of a home is between $29,000 and $30,000. One wonders why the Minister of Manpower and Immigration (Mr. MacEachen) would publish a booklet indicating that the cost of homes in Canada averages $19,000 for a new home and $12,000 for an old home. I would like to ask the Minister of Transport how immigrants in Toronto, or in fact any other person, could buy homes at those prices?

Interest rates are the highest in the history of Canada—8¾ per cent on N.H.A. loans and 9 to 9½ per cent on conventional loans. At these rates most Canadians cannot afford the high cost of mortgages. In fact, an $18,000 mortgage at the conventional rate of 9 per cent works out at approximately $50,000 over a 25-year period.

What is the short term answer to the housing crisis? I feel certain that the Minister of Transport knows the answer. It is not necessary to await the report of the task force on housing. In the Minister of Transport we have a man who has had wide experience in housing. In fact he became a millionaire as a result of his enterprises in housing. We have in him a man of concern. I am sure he is very anxious to solve Canada's housing problems, and I feel doubly certain he could take immediate action right now.

No speech should be completely destructive, Mr. Speaker. We in the New Democratic Party tend to be more constructive than destructive. This is why I am going to suggest certain answers to the housing problem which the Minister of Transport could adopt immediately.

First, the sum of $1½ billion should be set aside in the capital budget of C.M.H.C. to increase the stock of public, low rental, co-operative and senior citizens housing units and to provide subsidies to certain projects. This compares with the $500 million that was set aside by C.M.H.C. We need a massive infusion of money to take care of this problem if our goal is to have 20 per cent of our program directed to public and co-operative units.

Second would be a federal plan or target of 250,000 housing starts in 1969, made up of a mix of 65 per cent private family housing, 25 per cent public, low rental and senior citizens homes, and 10 per cent co-operative housing

and shell housing. The figure of 250,000 is 50,000 over the number projected by the Economic Council of Canada. When we take into account the shortfall of housing that we have had in the last few years 250,000 would only begin to take care of the present shortage.

Third, there should be an amendment to section 35A of the National Housing Act, which contains the provisions with regard to public housing. The capital costs of land acquisition and construction of housing should be changed from the present governing formula of 75-25 per cent to 90-10 per cent.

The best illustration I can give in this respect is the report from C.M.H.C. within the last few days that the city of Brandon has embarked on the purchase of land, to the amount of $400,000, in co-operation with C.M.H.C. On the basis of the present formula the federal government will pay 75 per cent of the cost of acquisition of land and the city of Brandon 25 per cent. That city is fortunate to be able to meet 25 per cent of the cost of land acquisition.

• (3:50 p.m.)

Last year the federal-provincial conference on housing recommended, in particular the provincial representatives, that the formula be changed from 75-25 per cent to 90-10 per cent. This would mean that the operating costs for these public housing projects should also be changed from the present formula of 75-25 per cent to 90-10 per cent. When one thinks of the burden municipalities bear with regard to these public housing projects in having to provide schools, fire and recreational facilities, it would not seem to be too much to ask that the federal government contribute 90 per cent of the operating costs of public housing in Canada. This is known as the cost sharing formula under section 35(e) of the National Housing Act. Subsidies in respect of low income rentals should be changed from the present 50-50 relationship to a subsidy tied in with the income of the tenants. Again this is one of the recommendations of the provincial representatives at the federal-provincial conference on housing last year.

As a fourth recommendation we would ask that the government, if necessary by amendment to the Bank Act and the Insurance Act, direct the investment of private capital to meet the shortage of private family units. The reason we ask this is that the experience of the Minister of Transport is that the insurance companies are not playing their full role in lending money to solve the housing crisis in Canada. In the month of August he summoned to Ottawa representatives of the banking and insurance institutions and pleaded with them to put more money into housing. He also spoke to them about condominium housing. The answer by the banks and insurance companies was that this field had not been tested and therefore they were not prepared to invest in it. This has resulted in the Minister of Transport having to use part of the $170 million to finance condominium housing in Canada. Condominium housing provides part of the answer to the crisis because it not only creates more housing units but also gives the people an opportunity to have ownership in an apartment building and a share in all the other facilities. Many people who rent apartments and who pay high prices for them have no feeling about them and no right of ownership in the building.

Fifth, we ask the government to establish immediately a land bank for the acquisition by the federal, provincial and municipal governments of land and for the provision of services. There is nothing new about this; the city of Toronto and many other cities now purchase lands for industrial purposes. By so doing they get the money back in the form of taxes at a later date. I should like to see the immediate establishment of a land bank so that the provincial and federal governments could participate in land acquisition.

As I look across the way I think of the hon. member who represents one of the Yorks and who is a former mayor of the city of Toronto. I also think of the hon. gentleman from Davenport who at present is a councillor of the city of Toronto. If these gentlemen were to take an active role with the city of Toronto to have the city acquire land in co-operation with the federal government, then the Toronto *Daily Star* could not criticize the members from Toronto for their lack of initiative and lack of ideas concerning the housing shortage in Toronto.

In order to reduce the high cost of homes we also ask that the government implement the recommendation of the Carter report with regard to imposing a capital gains tax on real estate speculation. This has been needed for many months. When one thinks of the profits that are creamed off by the speculators, is it any wonder that people are becoming annoyed at the lazy attitude of the government with regard to implementing a capital gains tax? I was most happy when the hon. member for Scarborough East scorched his government and urged it to impose a form of capital gains tax.

The next recommendation is that the interest rate be fixed at 6 per cent. We should realize that the interest rates are determined by the flow of money. Many spokesmen on behalf of the government say that we cannot fix interest rates at 6 per cent because it is necessary to go to the market to borrow money and that in this regard it is necessary to go to the United States. I should like the Minister of Transport to tell the house how much money we get from the United States for the construction of homes in Canada. We get very little. The flow of money is determined by the lending institutions. They hold back until they can obtain the highest interest rate possible. They also invest in luxury apartments and shopping centres to the detriment of public and private housing in Canada.

It has been suggested many times that a further recommendation should be the removal of the federal sales tax of 11 per cent on building materials. We in the New Democratic party would add the stipulation that the removal of the federal sales tax should apply only to homes costing less than $25,000. It could also be suggested that this might be connected with the idea used in the province of British Columbia where they use their sales tax as part of the down payment by a purchaser of a new home. It is very easy to assess the amount of sales tax that goes into a building. The combined provincial and federal grants would provide many Canadians, especially young people, with the required down payment for a new home today.

We would also recommend the imposition of rent controls where a city or town requests rent controls. In Ottawa the board of control passed a resolution that rent control be imposed in the city. There has been no action in this regard by the provincial government. No assistance has been given by the federal government. The federal government has had wide experience in implementing rent controls. Yesterday we heard the hon. member for Brant (Mr. Brown) recommend that rent controls be imposed in Brantford. I ask that rent controls be implemented with regard to Toronto. Toronto has one of the highest rental rates in Canada. There the landlords through associations agree among themselves on the rents they will apply to their apartments while the tenants are left to the four winds of heaven in negotiating with the landlords. It is high time the city of Toronto, with the assistance of the federal government, imposed rent controls.

The problem of implementing a national building code is very important because if housing is to get off the ground there is need for such a code to cut through the red tape that prevents many municipalities embarking on a housing program.

These are the short term recommendations of the New Democratic party. We have long term proposals with regard to satellite towns, transportation problems, the location of industry, recreational facilities, land use control and the ever present problem of pollution. I recommend that the task force on housing direct its attention to these long term problems and that the government take action on the short term.

• (4:00 p.m.)

Canadians are demanding action on housing now. Two weeks ago I attended a conference on housing sponsored by the Canadian Welfare Council at which 550 representatives from across the country expressed a concern about housing that can only be met by action. Perhaps the Minister of Transport should adopt the dictum of the late President Kennedy and think of what we as Canadians can give to Canada rather than what we as Canadians can take from our country. The minister has taken from Canada the privilege of becoming a millionaire—

The Acting Speaker (Mr. Béchard): Order, please. I regret to interrupt the hon. member but his time has expired.

Some hon. Members: Continue.

Mr. Gilbert: I have just one more sentence.

The Acting Speaker (Mr. Béchard): Does the house give unanimous consent to the hon. member to continue?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Gilbert: My sentence is this. The late President Kennedy said—

The Acting Speaker (Mr. Béchard): Order, please. There is not unanimous consent.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, Jean Rostand said that one should neither be respectful of old errors nor get tired of old truths. If one applies this French saying to the budget presented a week ago by the Minister of Finance (Mr. Benson), one must admit that the same old errors endure and that some are afraid to face the economic truth.

Mr. Speaker, before coming to the heart of the matter, I should like to draw the attention of the house on the answer I received to question No. 513 I put on the order paper some time ago, and which reads as follows:

For the period October 10 to 15, 1968, inclusive, how much time was alloted by the CBC to (a) the Parti Québécois (b) the Ralliement Créditiste, during information programs and during free programs?

The period October 10 to 15 is the one during which the Parti Québécois held its convention in Quebec City while the Ralliement Créditiste was holding one in Sherbrooke.

Now, a Montreal newspaper, the *Journal de Montréal*—it is its name—wrote that we got twice as much broadcasting time as the Parti Québécois, while gathering five times fewer people; I do not know what inspired journalist of his Montreal newspaper.

An hon. Member: It is Gilles Grégoire.

Mr. Caouette: It may be Gilles Grégoire; I do not know.

At all events, I have before me the answer given by the Secretary of State (Mr. Pelletier) who informs me that the Parti Québécois got approximately five hours and forty-one minutes on the French networks—not only forty minutes, but five hours and forty-one minutes—and approximately three hours and five minutes on the English networks.

The Ralliement Créditiste, which held its convention in Sherbrooke at the same time, was given about one and a half hours on the C.B.C. French network, or four hours and eleven minutes less than the Lévesque group. We were given about seven minutes on the English network, as compared to the three hours and five minutes given to the Parti Québécois. In other words, the Parti Québécois was given three hours more than we were, in order to make itself known.

Mr. Speaker, I see nothing wrong with the C.B.C. giving five hours and again three hours and five minutes of broadcasting time to the Parti Québécois. But I do object to the fact that it only gave one hour and thirty minutes on the French network and seven minutes on the English network to the Ralliement Créditiste, a national movement with 14 representatives in the House of Commons. Our members are here this afternoon. They won their seats fairly, and the C.B.C. does not seem to take this fact into account.

It is said that Mr. Lévesque's Parti Québécois is new. And so, we spend millions of dollars in order to practice partisanship in the backrooms and perhaps in the offices of the C.B.C., a crown corporation which asks us to vote fabulous sums each year to maintain its impartial services for the benefit of the population.

Mr. Speaker, I have said for some years now and I will repeat that there exists notorious discrimination in the C.B.C. and the authorities should see to it that the situation is rectified. I repeat that we have no objection to periods of time being allotted, but we must not forget that they are paid by all the Canadian citizens. We French Canadians pay our share just like English Canadians, and at our national convention, where there were representatives from four Canadian provinces, the C.B.C. granted us one hour and thirty minutes on the French network, and seven minutes on the English. That is discrimination.

• (4:10 p.m.)

I wanted to discuss the matter in the house this afternoon, to call the attention of C.B.C. authorities on those conditions. The C.B.C. officials do not support us, but we do support them and these people—as I have said and repeated on several occasions—like to encourage those who want to destroy Canada instead of stating, in all fairness, the situation and position of those who aspire to comprehension and mutual understanding in Canada. I note that the C.B.C. is not only destroying national unity but the whole foundations of Canada.

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, would the hon. member allow me a question?

Mr. Caouette: Yes, Mr. Speaker.

Mr. Pelletier: I wish to ask him a question and I am not trying to contradict him. I would like to know if, according to him, the following view should be taken into account, to wit, that news are important or are not, whether they are good or bad, but that there are some criteria to judge the importance of news or events. Such is the meaning of my question to the hon. member.

Since one case dealt with the creation of a new party and the other with a routine meeting of an existing party, would the hon. member take such facts into consideration in his representations?

Mr. Caouette: Mr. Speaker, I will say yes to the Secretary of State. However, if we consider the past actions of the C.B.C., we can ask ourselves why it did not do the same when the Ralliement créditiste was founded, for example. Was it not a new party? Why did the C.B.C. ignore the fact that, six months before the convention of the Ralliement Créditiste, we phoned their officials from my office to tell them that some delegates from all the provinces were expected in Sherbrooke in order to expand our structures. It was something new, was it not, but the C.B.C. did not take that into account. How much time have we been granted by the C.B.C. when the Ralliement Créditiste was founded? Just about fifteen minutes in Quebec. Under these circumstances, I say that the C.B.C. is practising discrimination.

Although I did say that I do not object to Mr. Lévesque's movement being granted some television time, we had heard about his new party for the last six months. Incidentally, over the past six months, the Secretary of State had almost every evening seen Mr. Lévesque on both the French and the English networks of the C.B.C.

At the time of the amalgamation of Mr. Lévesque's and Mr. Grégoire's groups, it was reported that few Créditistes from the other provinces were present at the Sherbrooke convention. Did the Secretary of State not read in the newspapers and hear that, on the occasion of the founding of the Parti Québécois, there were only 70 members of the Grégoire group attending? Why then is the C.B.C. treating the Ralliement Créditiste differently from the Lévesque separatist movement? The Secretary of State is aware of this situation. This is discrimination.

Again, I repeat that I do not object to the covering of conventions. In the case of Lévesque, the C.B.C had three cameras, one in colour, circulating around the hall of the small Quebec Coliseum that were accompanied by a crowd of C.B.C. employees. Who is paying for it? Everybody. I submit to the Secretary of State that this is not helping Canada nor is it contributing to national unity to see constantly on TV people who are aiming at the destruction of Canada instead of trying to unite it.

An hon. Member: Hear, hear.

Mr. Caouette: It is all very well to report news, but it should not take three hours or five hours and fifty one minutes. At one time, it lasted three hours and five minutes in English.

I will now leave that subject, but I want to remind the Secretary of State, who is now in the house, that he is the minister responsible for the C.BC., and it is not the C.B.C. which is responsible to the Secretary of State.

When I appealed to the Secretary of State, he answered somewhat on the same lines as a while ago: Does the member not accept the fact that an event may be considered by C.B.C. experts as suitable for producing a program? The experts, they are the ones who decide whether it is logical not that mention be made of the founding of a new party—that is only logical—but I do not think that millions of dollars of our tax money should be spent by the C.B.C. for the sole pleasure of having our mind poisoned through our national television and radio network.

Mr. Speaker, I think things will change one day, and that more importance will be given to those who advocate understanding and cooperation between the various elements in Canada rather than to those who only seek to divide, destroy, break up and crush, as is now the case.

Mr. Speaker, I would like to make some remarks on another point, which does not concern the Secretary of State and on which I would like to draw the attention of the government. It is about the Central Mortgage and Housing Corporation, another federal agency. I wish to point out that there also, there is discrimination against the province of Quebec.

We made a great many requests. There are at the Central Mortgage and Housing Corporation people who spare no trouble in order to study every request and give an answer.

However, let us take question No. 427 which I put on the order paper and which reads as follows:

1. How many loans were requested from Central Mortgage and Housing Corporation, by province during 1967?

How many loans were subsequently granted in each province?

What is the total amount, for each province, of the loans thus granted?

Mr. Speaker, although the other provinces filed some applications, I will only speak about Quebec and Ontario, the two neighbouring and largest provinces of Canada.

Quebec filed 11,108 applications and Ontario 10,274. Loans granted by the C.M.H.C.

amounted to 8,149 in Quebec to 9,653 in Ontario, that is a difference of about 500 additional loans granted to Ontario. But this is not the point.

The amount of those loans was $148,619,000 for Quebec compared with $301,725,000 for Ontario.

Mr. Speaker, I do not object, because loans amounting to $300 million have been granted to Ontario. However, I object, because it is so difficult in Quebec to have loans approved by the C.M.H.C.

When assessments are asked, not much enthusiasm is shown. When a large loan is asked in Quebec, there is a certain hesitation, while in Ontario the amount of the loans are twice higher than in Quebec.

I am therefore drawing the attention of the minister responsible for the C.M.H.C. on that situation, so that the officials may be advised to be slightly more tolerant and speedy when loans of the corporation are to be granted in the province of Quebec. I do not ask that Quebecers be favoured to the detriment of others, but that they be treated on the same footing as the people of other provinces, especially Ontario.

• (4:20 p.m.)

Having said that, Mr. Speaker, I should now like to talk about the part of the budget dealing with social development.

Nowadays, when the government invents a new tax, it does not call it a federal tax, but a social development tax. It sounds better. People complain a bit at first, but they soon become accustomed to it.

That is what I tried to illustrate when I told the house one day about the reactions of a frog. When a frog is thrown into a pail of boiling water, it cannot stand the heat and tries to jump out. You have to be canny and put the frog in a pail of cold water, then slowly allow the water to come to the boiling point. The frog, by that time, is so used to the temperature that it is completely cooked and does not even have time to think of jumping out of the boiling water. The same goes for the Canadian people.

I have here, Mr. Speaker, a letter from a labourer living in Drummondville. Any labourer could have written the same thing and there are many more across the country who share the same opinion. This letter is addressed to the right honourable Prime Minister, Parliament of Canada, Ottawa and it is dated October 25, 1968. This man is not afraid to sign his name: A. Lafontaine, 570, 105th avenue, Drummondville. This is in the constituency of the hon. Minister of Industry and Trade and Commerce (Mr. Pepin). I quote.

I am writing about this new so-called "social development" 2 per cent tax. I was deeply interested in your election campaign and I had thought that a newly elected government would endeavour to straighten out the injustices that have prevailed for a number of years in the income tax system.

I am referring in particular to the income tax rates affecting those families with dependants, where there is only one wage-earner. At present, my monthly salary is $440 and I have been an employee of the Canadian Pacific for 20 years. Nevertheless, sometime within the next three months, I will have to move to another locality that is unknown to me at the present time, because of technological changes by the Canadian Pacific (CSC) with the approval of the Transport Commission—

I do not know where he is moving.

This amounts to saying that this year, besides disruption in my work, your government is putting another 2 per cent increase in my income tax, which means I will have to pay $44 more. It would appear that in my case and that of others—

Every working man.

—we are a cause of inflation in the country. Did you or your Mr. Benson ever figure out the minimum of money required to raise and educate three growing children? And how about the money left over at the end of the year after earning an inflationary monthly salary of $440? The answer to this is that for some years my savings amount to a large ZERO even with driving to work in a 1959 Volkswagen.

Can you explain how the so-called experts in your government arrive at the conclusion that I am a cause of inflation across the country, as I can hardly make ends meet, and that a limit of $120 should be established on all earnings, whatever may be the amount, in the case of the additional 2 per cent tax.

Mr. Prime Minister, is this your "just society" and is it in agreement with the Carter commission report?

Mr. Trudeau, I would like you to refer to *Le Devoir* of October 23, 1968, on page 15, where it is reported that Imperial Oil has realized net profits of $70 million over nine months.

Kindly let me know what surtax those corporations will have to pay. And why I am, at $440 per month, a cause of inflation in this country, and why should I pay a surtax?

Thanks for having read me.

I do not know whether the Prime Minister (Mr. Trudeau) has read this letter, but I read it to the house to make sure that people would know. All Quebec workers could write the same thing.

During the election campaign, the right hon. Prime Minister said nothing about increasing the taxes of Canadians. No minister ever mentioned that taxes would be

increased. In addition, the Prime Minister always said that in the achievement of a just society in Canada, there would be no tax increases.

Mr. Speaker, social development means, first of all, that an attempt will be made to decrease, or avoid, or eliminate the estimated deficit of $675 million, and here I should like to point out to the house that the interest on the national debt, for this year only, will cost $1.5 billion, that means $75 per citizen. That means that a family of five, husband and wife and three children, will pay $375 in interest on the national debt.

That is why we ask the government to change not only its tax policy, but the fundamental policy, the financial policy.

The financial system is wrong. It is a system of indebtedness and this year, the government carved into the interest on the debt. Do you know that if we did not have to pay that interest, there would be a surplus of almost $1 billion, instead of a deficit of $675 million? When we suggest that the government use the services of the Bank of Canada to finance the development of our natural resources, when we suggest that on the national, provincial, municipal and school levels, everything be financed through the Bank of Canada, without interest, for periods of time varying according to the things that are being created or build, there are some who fear inflation.

Mr. Speaker, has anyone ever heard a Liberal or a Conservative member say, when the government goes to the United States to borrow $500 or $700 million that this is not Canadian money but American credit? It is not a question of American dollars or printed bills being sent to Canada. No. These are cheques sent to us by Americans, new figures entering Canada. In exchange, we have contracted obligations or undertaken to reimburse capital and interest after a certain time.

Did you ever consider that those amounts coming from the United States represent money newly created and as such responsible for inflation? No. We do not hear a single economist on the government side referring to inflation on that occasion. Neither do we hear a single economist on the opposition side referring to inflation when we are contracting debts in the United States. However, as soon as someone suggests resorting to the services of the Bank of Canada, at once inflation is mentioned. If the Bank of Canada should make available the same amount of credit, this would be inflation. When credit is made available in Canada, we speak of inflation, but it is not when we get it in the United States in order to bring it into Canada. And the national administration of this country is said to be intelligent. Yet, what is the role of the Bank of Canada? According to page 1032 of the 1965 *Canada Year Book*,

> The Bank may make loans or advances for periods not exceeding six months to chartered banks, or to banks to which the Quebec Savings Bank Act applies, on the pledge or hypothecation of certain classes of securities.

The Bank of Canada—

> —may make loans or advances on the pledge or hypothecation of readily marketable securities issued or guaranteed by Canada or any province to the Government of Canada or the government of any province for periods not exceeding six months. Other loans may be made to the Government of Canada or the government of any province in amounts not exceeding a fixed proportion of such government's revenue; such loans must be repaid before the end of the first quarter after the end of the fiscal year of the borrower.

We should never have amended the Bank Act last year in order to enable the banks to lend another $4 billion without having a single cent more in the reserves of the Bank of Canada.

• (4:30 p.m.)

Why did the government not suggest to amend this paragraph of the Bank of Canada Act by deleting the words "six months" so that the Bank of Canada could grant advances and loans to provinces, municipalities, school boards, to set up a branch of the Bank of Canada in each of the Canadian provinces, formally instructed to grant the necessary credit for the development of these provinces, municipalities and school boards. However, an inflationary danger would be involved. Then we say to Quebec: "Go and borrow in Washington, in France, anywhere in the world." And the same thing is said to Ontario. That is why—the Minister of Finance was made aware of this fact a few days ago—the provinces are dissatisfied with the central government. It is because of the monetary question, not the fiscal question. The taxation of the Minister of Finance is the crowning achievement of the tax system which is ours.

We levy taxes then we distribute them by paying the bureaucracy and all the Grits in the administration. We take away $10, we put back $8, and one considers oneself generous. Mr. Speaker, these are the facts.

Before my time expires, on behalf of the Ralliement Créditiste, seconded by the hon.

member for Shefford (Mr. Rondeau), I should like to move the following sub-amendment:

That the period following the word "country" be replaced by a comma and that the following words be included:
"and the House regrets that, in particular; 2% increase for income tax be imposed and moreover, that the Government had not made any provision to replace this income tax with a 20% discount on the retail prices, compensated by the Bank of Canada, in view to fight against the inflation and taxes, and restore the economy so that the production will attain its proper function: the consumer".

The Acting Speaker (Mr. Béchard): Order. I must point out to the hon. member and to this House that, under our standing orders it is not permitted at this stage of the debate on the budget to move another subamendment. I ask the hon. members to refer to standing order No. 45 which reads as follows:

Only one amendment and one subamendment may be made to a motion for Mr. Speaker to leave the chair for the House to go into committee of supply or ways and means.

Therefore, I must declare this subamendment out of order.

Mr. Caouette: Mr. Speaker, we will move the subamendment as an amendment if we have the opportunity, after others have spoken and the amendment is put to a vote this evening.

I therefore thank you for having enlightened us on this matter to which we will come back anyway.

Mr. Speaker, using the Bank of Canada in the public sector of the Canadian economy would be a reform, not only fiscal but monetary; it would be fundamental, and this is what we need. A while ago, I said the provinces were displeased with the offers made by Ottawa. Yes, because Ottawa has nothing to offer. Ottawa tells them: Go ahead and levy taxes. That is a good way of getting rid of someone.

Mr. Speaker, if the provinces are not satisfied, they will have to increase their taxes within their respective jurisdictions and we will witness tax increases at the provincial level. That will lead in turn to increases at the municipal level, at the school level, in short on every level.

Still, the Canadian people cannot pay more. They cannot pay more than now. I feel the time has come for the government to act according to the needs of the Canadian people if, economically speaking, it wants to save what we can save and achieve what we can achieve.

The Acting Speaker (Mr. Béchard): Order. I am sorry to interrupt the hon. member, but his time has now expired unless the house agrees to have him continue his remarks. Is there unanimous agreement?

Some hon. Members: No.

The Acting Speaker (Mr. Béchard): There is no unanimous agreement.

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Béchard): The hon. member for Trois-Rivières on a point of order.

Mr. Mongrain: Mr. Speaker, I would not object to the hon. member for Témiscamingue (Mr. Caouette) continuing, as he is a party leader, provided he does not take another 30 or 45 minutes or even an hour, to the detriment of other members who will participate in the debate, which is limited. I have no objection to his continuing, not in the least.

The Acting Speaker (Mr. Béchard): Order. When I asked if there was unanimous agreement, I heard some "nos", unfortunately for the hon. member for Témiscamingue. That is why I recognized another member. Does the house wish to allow the hon. member for Témiscamingue to continue his remarks?

Some hon. Members:

The Acting Speaker (Mr. Béchard): There is not unanimous consent.

Mr. Gérard Laprise (Abitibi): Mr. Speaker, on a point of order.

The Acting Speaker (Mr. Béchard): The hon. member for Abitibi on a point of order.

Mr. Laprise: Mr. Speaker, I should like to bring to the attention of the house that, at the beginning of the debate on the budget, we agreed to let other members of the Conservative party as well as from the Liberal party to continue their remarks after the time allowed to them had expired. I want to let the house know that we will remember this in the future.

Mr. André Fortin (Lotbinière): Mr. Speaker, on a question of privilege.

The Acting Speaker (Mr. Béchard): The hon. member for Lotbinière on a question of privilege.

Mr. Fortin: Mr. Speaker, to return to the unkind remarks of the hon. member for Trois-Rivières (Mr. Mongrain), I find that it is not at all boring when the leader of the Ralliement Créditiste (Mr. Caouette) speaks—

The Acting Speaker (Mr. Béchard): There are no grounds for a question of privilege.

Mr. Mongrain: Mr. Speaker, I would also like to rise on a question of privilege.

The Acting Speaker (Mr. Béchard): The hon. member for Trois-Rivières on a question of privilege.

Mr. Mongrain: Mr. Speaker, I would like to ask my colleague to withdraw what he has just said. I do not think I said anything disrespectful about his leader; to the contrary, I said I agreed entirely to let him go on with his speech. Therefore, I think he did not mean what he said.

The Acting Speaker (Mr. Béchard): There is no question of privilege in either case.

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I am rising on a question of privilege.

The Acting Speaker (Mr. Béchard): The Secretary of State (Mr. Pelletier) on a question of privilege.

Mr. Pelletier: Mr. Speaker, I did not wish to interrupt again the member who has just spoken and what I want to say has nothing to do with whether he should be entitled to conclude his speech, but I would like to correct a fact.

The hon. member for Témiscamingue (Mr. Caouette) said that the C.B.C. was responsible to the Secretary of State and it is not true. If he studies the Broadcasting Act, he will realize that the C.B.C. is not responsible to the Secretary of State but to parliament.

[*English*]

Mr. P. M. Mahoney (Calgary South): I sincerely hope, Mr. Speaker, that this speech has been worth waiting for because there seems to be a great deal of difficulty in proceeding with it. Apparently there are a few traditions here which I should follow, I suppose, one of which seems to have fallen into disuse. I refer to the practice of congratulating Your Honour on your elevation to your high office. I should like to join in those felicitations. Another tradition seems to be that of saying a few words in French. Unfortunately my mastery of that language is rather limited to "l'addition s'il vous plait" and such other phrases as permit me to get by in the restaurants of Montreal. I can only say that I shall count myself a failure if four years from now I cannot do better.

It is also, customary, I believe, on the occasion of one's maiden speech to eulogize one's riding, particularly if there is some hope of the home press printing the remarks verbatim and with approbation. Fortunately for all present, I can forgo that pleasant exercise since nothing I could say here, even though I were speaking from the treasury benches rather than this lofty perch, could significantly enhance the existing renown of the city of Calgary. We have our majestic mountains to the west, our rolling foothills and our prolific grain fields which cause so much heartburn to the Minister of Agriculture (Mr. Olson) and the Minister of Industry, Trade and Commerce (Mr. Pepin). We also have clear running water or had, at least, until pollution. There is one aspect of our life which is unique and bears comment. I refer to the meteorological phenomenon known as the Chinook. This is an unseasonably hot west wind. Its visitations have been associated by the unscientific with sittings of the British Columbia legislature.

I feel I must also take this opportunity to set the record straight with regard to the speech in this house on October 24 by the hon. member for Calgary North (Mr. Woolliams). I must hasten to assure the house that I am not deliberately associating the hon. member and the unseasonably hot west winds. The proximity of the two subjects is purely coincidental. The comment, "You already have the facts", attributed to me at page 2016 of *Hansard*, and which was taken by the hon. member for Calgary North to have been made by me was, in fact, made by the hon. member for Gloucester (Mr. Breau) who sits immediately in front of me. I had considered asking that the record be corrected, but listening to the balance of the hon. member's speech made me realize that such correction would, in the eyes of posterity at least, destroy much of the cogency, pertinence and indeed beauty of his oratorical pyrotechnics. Since much of what is said by hon. members opposite is evidently for posterity, as it relates but little to the present, I decided, with characteristic charity, not to ask for a correction. I do hope, though, that future generations perusing the *Hansard* volumes in whose authorship we are all at present collaborating will not be so emotionally drained by the eloquence of the hon. member that all else seems anti-climatic and this correction is never noted.

• (4:40 p.m.)

Canada's petroleum industry, based in Calgary, is of vital importance to out country measured by any standard. It is at present subject to a number of very serious pressures which are giving rise to grave and legitimate concern in the industry.

One of the parameters relative to which the industry has operated since 1960 has been the national oil policy—a voluntary policy agreed to by the industry and sanctified by government. The basic provision is that petroleum products marketed west of the Ottawa river shall be manufactured from domestic crude oil, while products marketed east of the Ottawa river may be manufactured from imported crude oil. It is a voluntary policy enforced by persuasion by the National Energy Board. The board has no sanctions available if it is breached.

One of the pressures on the policy has been the recent expansion of refinery facilities east of the Ottawa at a rate far in excess of market requirements, coupled with a practical hiatus in refinery expansion west of the Ottawa. A second pressure has been the request of the United States oil administrators, disclosed on September 28, that United States importers of Canadian crude cut back their purchases during the last quarter of this year. There is apprehension that this cut-back may be extended into 1969.

A third pressure is the implication of the Prudhoe bay strike in Alaska. Bearing in mind recent policies enforced by the Securities and Exchange Commission in the United States relative to public companies, for example, the Texas Gulf Sulphur and Douglas Aircraft cases, it is probable that the extent of the Alaska discovery has been understated by the companies concerned. Nevertheless, the announcement indicates a discovery which could well be larger than east Texas, now the biggest field on this continent, and larger than present total reserves of all the known oil fields in Canada, excepting only the Athabasca tar sands.

The concern of our petroleum industry is real and it is well founded. It is, therefore, gratifying to note that clause 15 of the income tax resolution will assist significantly in eliminating the unfair competition implicit in certain prospective artificial crown corporation arrangements between provincial authorities and promoters. Clauses 13 and 14 will also be welcomed by everyone with a bona fide concern about the well-being of Canada, the Canadian petroleum industry, and the people employed in it.

The Alaska discovery gives rise to another matter which I would urge the government to regard as top priority. It is only a matter of hours, days, perhaps months but certainly not years, until a major oil strike will occur in the Canadian Arctic. The Canadian government will find itself, overnight, in the oil business in a very big way. By the very nature of the business initial decisions and policies will have very long range effects. It is imperative that they be right. Let us formulate these policies now. Let us formulate them in consultation with every element of the industry and not merely in consultation with the public service. The right hon. Prime Minister is on record as wanting to recruit talent from business and other environments for special assignments in government. This is an opportunity; indeed, I might suggest, a necessity.

A third consequence of the Prudhoe bay discovery is the necessity of transporting this oil to its markets in the United States. An all-United States routing would probably traverse by pipeline the Brooks range, which separates the north slope from the rest of Alaska, to the vicinity of Anchorage and then involve shipment by tanker to various ports on the Pacific Coast. In addition to extremely difficult construction problems through the Brooks range, this route offers serious seasonal shipping hazards in the north Pacific and a rather obvious strategic exposure. A more desirable all-pipeline route may be found along the Arctic shore to the Mackenzie delta and then south to connect with existing Canadian systems. The strategic and climatic problems would be eliminated by such a routing.

I would urge that the government actively press for the second routing; it is most desirable from the United States point of view and they should be prepared to pay a fair price for it, including elimination of present duties on Canadian crude oil, establishment of fair prorations of the Canadian and Alaskan crude to be transported through such system and a substantial Canadian share in its ownership.

Speaking in this debate a few days ago then hon. member for Etobicoke (Mr. Gillespie) read the following words from the study commissioned by the Toronto Stock Exchange on the supply of, and demand for, Canadian equities:

> The total average annual demand for additional equities in Canada in the immediate years ahead is likely to be almost double the supply provided through net new Canadian issues.

It has been proven in the case of Alberta Gas Trunk Line Company Limited, Great Canadian Oil Sands Company Limited and companies of this nature that Canadian investors wish to participate in the establishment of a Canadian route, I urge the government to give our investors an opportunity to participate.

From Canada's own point of view, the first alternative, the trans-Alaska line coupled with tanker shipment, does nothing to prepare for the marketing of our own anticipated Arctic production. The Arctic Coast-Mackenzie river route would provide a basic part of the system we will need some day soon in any case.

The rejection in the budget speech of the basic premise of the Carter report that "a buck is a buck is a buck" must be greeted with relief by all thinking Canadians. While acknowledging the desirability of further, even extensive, tax reforms we cannot afford the luxury of a tax system which, however appealing to the theorist, is totally incompatible with those of our trading partners in the free world.

As long as Canada finds it desirable to develop its resources and productive capacity at a rate faster than its own savings permit—and this is a situation likely to exist for the foreseeable future—Canada must maintain fiscal policies calculated to attract foreign investment. If we are to reduce the need for foreign investment in the foreseeable future while still providing a standard of living acceptable to Canadians we must maintain fiscal policies calculated to encourage the formation of investment capital within Canada. Carter ignored these realities; the budget accepts them.

The Company of Young Canadians is a controversial creation of parliament. It is probably the target of as many brickbats from editorial writers and provincial premiers as any federal agency. Yet it is a noble and, I submit, successful experiment. The Company of Young Canadians was created not to supplant existing social agencies but rather to catalyse social change. It is precisely for its success that it is criticized.

The community of Faust on Lesser Slave lake in northern Alberta is populated mainly by Métis, Indians, and white mink ranchers. There are five homes in the community with running water—the rectory, the school principal's home and three homes owned by mink ranchers. Various public agencies working in the community were at odds. For example, the school nurse and the public health nurse were engaged in a jurisdictional dispute over who was responsible for delousing the children. School children were missing as much as 20 per cent of their class time because they were lousy.

Volunteers of the Company of Young Canadians moved in among them and taught them to use the democratic processes available to them—taught them, in fact, that those democratic processes existed. The mink ranchers were furious. They called for withdrawal of the Company of Young Canadians. The full provincial cabinet met with representatives of the Métis and Indians. The Company of Young Canadians did not withdraw and there are now seven volunteers working in a number of communities on the lake. Today these people are benefiting from programs under ARDA and two provincial agencies, the human resources development commission and department of youth. There are still only five houses with running water, but the Indians and Métis see hope for change, and the louse count is down. All this was accomplished without disorder or riot, the frustration gap was bridged by the C.Y.C. and the Indians and Métis of the Lesser Slave Lake area are progressing via the democratic process.

• (4:50 p.m.)

The self-assertion of the Indians at Armstrong, Ontario, is another conspicuous success of the C.Y.C. Never mind the embarrassment occasioned to this government, the Ontario government, the Armstrong school board, or any other authority. These are irrelevant considerations. Think rather of what the Armstrong Indians are accomplishing for themselves. That is the test. The day the C.Y.C. stops embarrassing public authorities and stops jolting the status quo will be the day it will have exhausted its usefulness.

In my own riding there is a district known as Victoria Park. A C.Y.C. volunteer, Bernie Muzeen, worked for two years in the south half of this area. The results of his efforts and, more important, the attitudes which were cultivated among the residents, are a dramatic tribute to the work of the C.Y.C. Crossing 12th Avenue is, in some ways, like passing through Checkpoint Charlie. In the north part of the district blinds are down, the residents withdrawn and apathetic. In the south they are articulate and confident, ready to take on city hall. They will have a brief for

the housing task force and any other instrument of authority which presents itself. Their community leaders are among the most effective in Calgary.

The C.Y.C. is to operate on a budget of $1.9 million, some 25 per cent less than its first budget. There are 16 people in its head office and 17 field supervisors. One hundred and eighty-five volunteers in seven of the ten provinces are engaged in 34 projects. These volunteers are living with the negroes of Halifax and the Indians on the tip of Vancouver Island, as well as the hippies of Yorkville.

These young people are fulfilling a vital function in our society—the function of bridging the gap existing between the mainstream of our society and some of its alienated elements. They are doing it for the munificent remuneration of $185 per month, found. And notwithstanding that meagre reward, applications are coming in from young people anxious to serve, at the rate of five a day. There are at present over 500 approved applications for service on file, but they cannot be activated because the company's budget will not permit expansion of its services.

The function of the C.Y.C. is to hook people up with society's mainstream, to show them that a useful democratic process exists and how to use it and then leave them alone to use it themselves. The measure of its success in a given project is the amount of ongoing community leadership it leaves behind. It is, within the limits we have permitted, attacking with success the same festering problem, the alienation gap, as is exploding into riot, pillage and tragedy in other parts of the free world. The government should give serious consideration to whether simply from a dollar and cents point of view the C.Y.C. should not, in fact, be more generously supported. It may very well find that a dime spent on preventive maintenance will save a dollar in repairs.

We are engaged in our regular quadrennial self-reproach at our lack of athletic prowess in international competition. We are also awaiting the report of a task force on amateur sport. We have again underwhelmed the world at the Olympics, trailing not only the obvious giants of international competition such as Russia and the U.S. but some of the less obvious such as Bulgaria and Kenya.

We are, as a nation, at the point where we must decide whether or not we really care. As a matter of fact, we have been at that point for several decades, and we have known it. As another matter of fact, it may not much matter whether we make the decision. Perhaps the exercise of self-reproach and embarrassment on a periodic basis is something to be preserved as character-building and in consequence we should continue to avoid the issue.

We do have some bona fide problems which many other nations do not share. For example, the climate in most parts of the country simply does not permit year-round training in many sports, particularly the track and field events which comprise such an important part of the summer Olympics program. This is not an insoluble problem. Many of the most outstanding American track and field performers come from the northern states. But, of course, they have fieldhouses—large, simple, hangar-like structures—usually with dirt floors where most outdoor activities can be continued in bad weather.

Today there are more than 60 universities and colleges in Canada. Only one, the University of Alberta at Edmonton, has a fieldhouse. That university also has the only full faculty of physical education in Canada. It may be a pure coincidence that the University of Alberta is currently national intercollegiate champion in both hockey and football. It may also be a pure coincidence that the University of Alberta is an institution very little troubled with student unrest. Then, again, it may not be.

Another problem is the very subsidiary position in which competitive sports are generally placed in our public school systems. I am prepared to admit that there may be conspicuous exceptions to this generalization, but it is largely true.

No program which starts working with athletes in their late teens will produce any significant number of medal winners. Such a program is bound to fail unless it is founded on a broad participation in competitive athletics at the elementary school level. Considering the other demands on our educational systems it is appropriate to inquire: what relative priority do we give athletics in terms not only of dollars but of time? From the point of view of national prestige, it should unquestionably be given a high priority. So the question really becomes: what priority should be given by Canadians to measures which will give each of us individually, and the nation as a whole, great pride and satisfaction?

One of the primary objectives of the Olympic movement is to substitute competition on

the playing fields for competition on the battlefield. It is an objective in which we can readily concur. But can we expect the concurrence of persons immediately affected in the proposition that athletic facilities and participation be given a priority ranking with student parking facilities and participation in a good healthy riot?

I am tremendously impressed by the public statements recently made by the Minister of National Health and Welfare (Mr. Munro) on the reorientation of programs within the purview of his department. A brief passage from his speech on October 24 to the national seminar on the planning and construction of health sciences centres merits repetition:

> This is the value basic to our way of life, that society exists to foster the growth of the individual person.

This is the end to which our policies must be directed. This is the objective which the C.Y.C. is helping to achieve in many areas. It is the end which achievement in international athletic competition would serve. It is also an objective which is becoming harder to achieve in an increasingly urban environment.

Calgarians share, sometimes to a greater and sometimes to a lesser extent, the problems of all the great cities of this country, this continent and, indeed, this planet. After all, while it is estimated that Calgary's population will reach a million by the turn of the century, Bombay's will reach 30 million. We share the good and the bad. New buildings are going up at a record rate, and so are traffic fatalities. The population which was responsible for the country's greatest relative participation in "Miles for Millions"—34,118 took part last Sunday and over $400,000 was earned—also contains the sick minds which on Hallowe'en hand out apples with razor blades inside, and licorice sticks with needles concealed in them. We also share much of the self-delusion to be found among Canadians. For instance, we have a beautiful neon sign over our airport which proclaims it as an international airport. But it is not an international airport at all.

• (5:00 p.m.)

The fourth annual review of the Economic Council of Canada, published just over a year ago, points up forcefully the inevitable trend to urbanization. It would not be useful to recite the report's conclusions. They boil down to increasing urban affluence, increasing urban population. It would be tragic not to recognize the report's implications. Within a generation four out of every five Canadians will live in a major city. This knowledge establishes the terms of reference within which all our major domestic problems, economic, social and constitutional, must be solved.

Within the next generation our cities will have to be rebuilt almost completely, twice as big and, I hope, twice as good. Within the next generation we will have to build and find the money for more new homes, business buildings and other urban facilities than we have built and paid for since Jacques Cartier set foot in Canada.

One of the greatest handicaps to the possibility of our successfully meeting this challenge is the very simple truth that we are on our own. We have no precedents because, unfortunately, no one alive today has ever experienced a really good city, a city that comes even close to measuring up to the potential of today's technology, a city, for example, whose busy streets are not clogged with parked and moving cars, whose air is fit to breathe, and whose water is fit to swim in.

The malaise of our cities could be cured a lot faster if the public could be given a better understanding, a clearer vision, of what kind of city to demand. We must close the communications gap between the planners whose eyes are fixed on the future and the public whose understanding is fixed in the past. What we need and what the government can give is a fresh vision of what tomorrow's city and tomorrow's city living can and should be. The announcement yesterday by the Minister of Transport (Mr. Hellyer) of the establishment of an urban transportation and development unit in his department is an example of the things that can be done at this level to encourage this vision.

The challenge is not merely one of getting a necessary job done. By the end of the century our large city population will have doubled. Hence, one way or another we are going to have to build new cities and rebuild old ones. The real challenge is not whether but how we build. We may build well or we may build carelessly, but one way or another we will build.

I do not subscribe to the theory that Canada can solve all the world's problems. I do suggest that we can solve our own problems in a way that will serve as a worth-while example to the world.

Mr. Barney Danson (York North): Mr. Speaker, since coming to parliament I have

been engaged in numerous discussions concerning welfare problems. Like all members I have become involved in the problems of my constituents relating to inadequate, unjust, or seemingly unjust, treatment of welfare recipients. At the same time I have become increasingly aware of the enormous economic pressures on this and other levels of government, much of it due to the proliferation of welfare programs. Many, if not most, of these are good and necessary. Most were implemented to meet genuine needs. Some were simply election bait or sops to pressure groups. Many were well intentioned and well designed for their particular purpose and time. Times, however, have changed. The welfare needs of today are not the needs of a decade or more ago.

Our problems today are largely problems of affluence. We have developed a society where the luxuries of yesterday are the necessities of today. At the same time we are saddled with programs which provide services to those who do not require them, while at the same time inadequately serving those who need them desperately. And we are doing this voluntarily, at enormous cost and with tragic inefficiency. The bills are coming in for payment and the overdraft can be crippling—crippling to the taxpayer, crippling to the economy, and crippling to those in genuine need, particularly the physically handicapped and the aged, the aged without resources and those on fixed incomes. We cannot and dare not let this situation continue. It is both stupid and inhumane.

In seeking alternatives I cannot help but be attracted by what I choose to call a guaranteed incentive income. My initial instincts, Mr. Speaker, oppose a guaranteed annual wage. I have not found that things come easily in life and I believe it unrealistic to expect something for nothing. I consider it downright immoral to expect those willing to work to support those who will not.

On the other hand we do have an obligation to those who, for quite legitimate reasons, cannot support themselves. Because we, as Canadians, accept our obligations to this latter group we have built up a system of social welfare that is wasteful, inefficient, inconsistent, discourages initiative and is often demeaning. We have an ever-expanding bureaucracy and we end up, in many cases, paying money to those who do not need it, while frequently not adequately helping those who do.

It is apparent to me that our entire welfare system needs close examination and revision. In this process we should explore every approach, including the negative income tax which in effect is what some call a guaranteed minimum income or guaranteed annual wage. Properly structured it can save the taxpayers tens of millions of dollars. One recent estimate indicated the amount would be $200 million yearly in Canada today. This does not include the vast savings in administrative costs and the massive reduction in our bureaucracy.

At this juncture I should like to say that I am not criticizing the civil servants who form the bureaucracy, but the expanding bureaucracy itself. Since coming here I have gained a renewed respect for our public servants. There is a wealth of talented and dedicated men and women who do this nation proud and, incidentally, keep it operating on an ethical level unsurpassed anywhere. I am impressed and we should be grateful even if at times they speak in a jargon that is forcing many of the uninitiated to become trilingual rather than simply seeking the enrichment of bilingualism. Certainly there are exceptions, and the vast majority of skilled and devoted civil servants are the first to spot and acknowledge them, but the same applies to any big business and, unlikely as it may seem, to politicians. The same applies also to welfare recipients.

To get back to my basic theme, Mr. Speaker, I believe we should determine what income is necessary to provide the fundamental necessities of food, clothing and shelter. To this we should add the cost of health insurance and education, and enough discretionary money to maintain one's dignity. This would have to be scaled according to the size of the family unit.

Let us for now assume that for a married couple with two school age children this worked ut to $3,000 yearly or roughly $60 per week—hardly a princely sum. With an income of $3,000 they would not pay income tax. As the family produced additional income they would pay income tax on a graduated scale so that they would have the incentive to work and better their lot. This tax would therefore have to be quite small on the initial income increases. Should their income fall below $3,000 they would receive payments to make it up.

Certainly there will always be those who would be satisfied to live on the minimum

income, just as there are those who are content to live off our existing welfare programs. These people are not unemployed but are kept busy running from office to office filling out forms in quadruplicate. The difference is that much of our present welfare discourages those who want to work and are capable of supplementing their income. In many cases it encourages people to lie and cheat, and requires a large force of civil servants to administer and police it.

With the negative income tax combined with the guaranteed base we could eliminate all or most of our existing systems—unemployment insurance, family allowances, old age pensions, mothers' allowances, rent subsidies and a myriad of other benefits available from federal, provincial, municipal and some private agencies. We would in effect eliminate the means test while actually making need the only criterion.

Of necessity this is an oversimplified version of the scheme. We would have to utilize our existing computer technology to react quickly to immediate needs. A man suddenly out of work cannot wait until tax time to get the money to feed and clothe his family. This might be done by interim loans repayable at tax time if his yearly income exceeds the base. This might be done also through special arrangements with our banks, with the government guaranteeing the loans. The base itself, and the tax on the income above it, would have to be sensitively gauged.

• (5:10 p.m.)

There is the further question of regional disparities in living costs, but under present federal schemes payments are equal in all parts of the country, as are federal taxes. Rather than present a problem, this scheme could solve many. Currently welfare recipients are inclined to relocate in the provinces or municipalities with the most generous welfare schemes, placing an undue burden on those jurisdictions and their taxpayers. If these people remained in their own localities they would create consumer markets in depressed areas which would then require business and industry to service them. This plan could help solve part of our problems in regional development and prevent the uprooting of family units.

With these potential advantages we should not reject the minimum income principle out of hand, while still exploring all other avenues. It could be the greatest true social and economic reform in our country's history. It could give greater equality, opportunity, prosperity and dignity, while at the same time saving taxpayers untold millions of dollars. In my view this might well be the ultimate rationalization of our present outdated welfare programs and it should be acceptable to the whole range of our political spectrum, as well as all levels of government.

At this point, Mr. Speaker, I had intended to give a serious discourse on the report of the task force on the structure of Canadian industry, commonly known as the Watkins report. The subject is a serious one but it also is detailed and I have decided not to bore you or other hon. members with it at this time, not because it is unimportant—on the contrary, it is extremely important—but because I shall save it for another occasion, probably before the standing committee on finance, trade and economic affairs. I put it aside at this time because of a 15½ year old girl named Deb Shallhorn from Markham, Ontario. Deb wrote to me because I am her member of parliament, not her father's member of parliament, not her mother's nor her neighbour's, but hers. She makes me proud to be so.

Deb had heard about the speech by the Secretary of State (Mr. Pelletier) in Montreal a week ago Monday in which he suggested the concept of a non-military draft as a way in which our youth can truly be part of this country and its future. This year she is going on a student exchange to Quebec, and that is great; but Deb is doing that for herself and I commend her for it. She also wants to do things for other people and for her country. Are we to deny her that opportunity? Deb's letter is typical of many letters I received prior to the Secretary of State's speech and reflects the response I have seen in the letters to the editor columns of newspapers across this country. It reflects the aspirations which were apparent by the participation of our youth in the June election—happy, enthusiastic, a little mad, but stimulating to us all.

If we dampen that spirit, that idealism, that outrageous and at the same time delightful naïvety, we will be doing a tragic disservice to all the Deb Shallhorns and their brothers across this land. If we overconcern ourselves with our problems and neglect them, if we neglect to look into their hearts and minds and fail to see the beauty and the truths that are their hopes, we will see their disillusionment, and even bitterness, that will not be without justification.

You might ask what this has to do with the budget. In my opinion it has a good deal to do with the budget because it will cost us money, not in expenditure but in investment. If we are able to achieve the basic welfare structure I have just outlined or, perhaps better, if we can determine our true national needs and national goals, the real ones, the ones that really count, we can go ahead with a spirit and purpose that befit this great nation, a nation we all love deeply and a nation which offers opportunities that make most of the world respectfully envious.

We sometimes become so preoccupied with our problems that we fail to see what we really have going for us. Certainly we have problems which we must attack immediately, intelligently and vigorously. But we will not solve them all, and when some are solved there will be new ones we never suspected, with or without computers, which would appear. But that is the way life is and it is not going to change. Without making light of these problems, let us also look at the bright side because it is just as real as the dark side, and much more hopeful.

I suspect, and my mail tends to confirm this, that is it not really taxes people are complaining about, but rather stupid taxing methods and stupid expenditures. If we tell people we intend to balance budgets and do not, or do not honestly explain the errors which we make because we happen to be human, they will not trust us. If we were to tell people that we intend to spend less, provide more services and lower taxes, we would be bigger fools than the few gullible people who would believe us.

On the other hand, if we do those things that, to a reasonable degree, fulfill the needs of our people and do those things that help fulfil the potential of this land and of the Canadian people, I am confident that the people will go along or, perhaps more accurately, join with us and pay their share, if not happily at least with understanding and even satisfaction. We should not do things to excite; we should do exciting things. We need not capture the imagination of others but should use our imagination to do imaginative things. If we do not do this, then we will be away behind the vast majority of Canadians, and light years behind our youth with whom we will never be able to communicate.

I should like to offer a challenge. It is a challenge to all the Deb Shallhorns across Canada. I want them to talk to their parents about a year's service to their country, or perhaps a series of three or four summers' service, not necessarily on a compulsory basis but even on a voluntary basis. It need not necessarily be on a non-military basis either, because I would think there might even be many young men who would want to spend part of their service in our armed services so that they could get some insight into the possibility of serving in what is our likely role, that of a peacekeeping nation, or perhaps in our coastguard or the R.C.M.P., all very challenging careers. I suggest that they talk to their parents and then write to me indicating that they have their parents' approval even though they know it will cost them more in taxes. I challenge their parents to explain what this means in cost and perhaps encourage their children to take paper routes, become baby sitters, or engage in any other job that will produce money which they must save in order to help their parents pay these extra taxes, because with opportunity goes responsibility. If they respond responsibly we will find ways to make certain that they will indeed have the opportunity, including the opportunity to have all the education they can absorb.

I tell these youth that if they do these things and if they and their parents write to me, I will go to the Secretary of State and to my Prime Minister and fight for these things on their behalf. I am sure I will receive a sympathetic response. But that is not the end of my challenge. Through you, Mr. Speaker, I challenge all hon. members of this house to react to the challenge of our times, to the challenge of our youth whom we are here to serve. We do not dare let them down. I do not mean by that that we will fulfil all their dreams, but they will know we are working in their interest and that of our country's future. We must not look only at the difficulties because that route would stop us cold. We must not be afraid of failure, for there is no disgrace in failure. The disgrace is in not trying.

Mr. Frank Moores (Bonavista-Trinity-Conception): I realize, Mr. Speaker, that in a member's initial speech to this house it is customary to take his fellow members on somewhat of a tour of his constituency. I do not intend to do this because the constituency of Bonavista-Trinity-Conception was represented in this house for some 20 years by well known Liberal members. While I am sure they eulogized on many occasions the rugged beauty of Bonavista-Trinity-Conception, at

the same time they were leading its people up the garden path.

After listening to the Minister of Finance (Mr. Benson) outline the terms of his budget many people in Newfoundland must have questioned whether Ottawa has really ever admitted that our province was taken into the Canadian federation in 1949. Certainly the philosophy and policies of this government as revealed so starkly in this budget give no indication of any concern for the special problems of Newfoundland or any intention to do anything to solve them.

Like Canadians in every part of our country, Newfoundlanders are being squeezed to the brink and in many cases over the brink of poverty by the pincers of taxation and inflation. It has been estimated that almost 40 per cent of the people of Newfoundland receive some government aid in some form. On this basis it may be argued that not too many people in my province will be affected by a tax increase for the simple reason that most of them do not make enough income to be taxed. But even those who are on direct relief will experience the pinch exerted by the Minister of Finance here in Ottawa. His budgetary measures will affect the lives and prospects of every Canadian whether he pays direct taxes or not.

• (5:20 p.m.)

The trouble is that everything is multiplied in shock effect in Newfoundland. The economy is more basic than in any other province; the wages are lower, the opportunities fewer and prices higher. Living is tough in Newfoundland and getting tougher. This budget is just one more blow below the belt. One of the shortest and best descriptions of it that I have read appeared in that staunch Liberal mouthpiece, the Winnipeg *Free Press*. On October 23 an editorial appeared headed simply "Dismal". Naturally it was a comment on the Minister's budget. I quote in part:

> Finance Minister Benson's budget is a confession of grievous financial miscalculation on the part of the federal government, coupled with a pious promise to do better next year. There is in it little cause for cheer.

Later it goes on to say:

> It is beyond comprehension how Mr. Benson can in one breath be warning people that his government intends to increase its spending by more than $1 billion, and in another be expressing anxiety about the continuation of an inflationary upward spiral of prices and costs. A substantial factor in present inflationary pressures is the amount of money being spent by government at all levels.

[Mr. Moores.]

This strikes at the very heart of Atlantic Canada's problem and the current disillusionment of Atlantic Canadians with the present government. This government is squandering money on a wide variety of inconsequential things, money desperately needed by the provinces of Atlantic Canada. One has only to think of the thousands of dollars being poured into the redecoration of ministerial offices and the building up of personal retinues, including that of the Prime Minister. One cannot help but think too of the expensive ministerial junket to South American countries which has just been embarked upon by a considerable segment of the cabinet.

There are many other expensive items such as the millions being sunk in commissions and task forces that could be curtailed and the money used for critical development work in the battle to overcome regional disparity and poverty. This government appears to be able to find ample funds for its own hobbies and enjoyment. The minister pours tax dollars into his colleagues' spending plans as though they came from an inexhaustible cornucopia.

The federal government does not realize that the most important obligation it had and has to its newest and tenth province. Rather than providing the people with opportunities to get ahead, rather than creating a long term plan whereby Newfoundlanders could earn a decent living, it takes the attitude that handouts will suffice.

The federal government has disbursed funds on a basis that could be compared to the well known concept of the American foreign aid program whereby if enough money is given, even at the cost of human decency and self-respect the recipients should still be thankful. A great deal of federal money has come to Newfoundland since 1949. Most of it has been spent at the whim of a fiscally irresponsible provincial leader, completely unused to economic planning. The victims of this irresponsibility have been the people of Newfoundland, who today enjoy the lowest per capita income and the highest cost of living, resulting in the lowest standard of living in Canada.

After 20 years of squandering, the result is only now being fully realized. Since confederation, the premier of Newfoundland should be commended for advances in health, education and social services. However, he should be brought to task for his completely irresponsible fiscal policies. A gentleman who likes to be referred to as the only living father of

confederation, with his proven ability to squander money on grandiose deals, to cook up promotions with people of the Doyle, Shaheen ilk, should not be referred to as the only living father of confederation but rather as the only living "Daddy-O" of confederation.

At the same time as personal ministerial kingdoms are being financed, the Prime Minister tells the provinces bluntly: The till is empty, look after yourselves; you cannot have any of my 2 per cent surtax because it is not really an income tax but a social development tax. I only wish this statement were true. There would then be some hope that the urgent social needs of my province would get support here in Ottawa.

The tragic part of the budgetary policies of this government is that they are seeking to give the impression of economizing, not by cutting down frivolous and unnecessary spending but by cutting out vital and necessary programs of national and regional development. The time has come when the federal government must make positive long term plans whereby the fishery sector of our economy will be developed. When one realizes how important the fish industry is to eastern Canada one must also realize how important this industry could be if properly developed. At the present time fish and fish products represent close to 3 per cent of Canada's gross export value. In Newfoundland at the present time there are approximately 30,000 people involved in the fish industry; together with their dependants they represent some 120,000 people, which in turn represents approximately one-quarter of our population.

This industry today, through neglect and lack of planning, is very near collapse and, Mr. Speaker, this is not an exaggeration. Many fishing companies in Newfoundland have been family affairs, and with the limited resources and fluctuations in managerial ability, which are factors in hereditary businesses, the industry has failed to keep up with international marketing techniques and the technological advances that are so necessary in today's world. To survive, the industry needs federal development funds on the scale provided by European countries to their fisheries.

When one considers that Newfoundland has the nearest proximity to the greatest ground fish resources in the world, it is very upsetting to see the huge government sponsored developments, of European countries in particular, fishing in what are commonly referred to as Canadian waters while we in Canada are neglecting this industry.

When one realizes that the Canadian deep sea fleet consists of approximately 40,000 tons of shipping while the European fleet fishing in the northwest Atlantic represents in excess of 2,800,000 tons, it makes one stop to think. I will repeat the ratio in a slightly different manner. For every ton of deep sea fishing craft leaving Canada's ports there are approximately 80 tons of deep sea fishing craft from Europe operating off our coast. If all the fish presently caught in the northwest Atlantic were processed in Canada the value would be several times the total contribution of all agricultural products combined.

The fishing industry off the east coast of Canada should be playing a much more prominent part than is the case today. However, if we are going to bridge the disparity which is so prevalent in eastern Canada we must come up with a long term plan for fishery development, together with a short term plan to make sure that there is an industry left when all the task forces and study groups have finally reached their conclusions. I have repeatedly mentioned that the fishing industry has been neglected in Newfoundland. There is danger of it becoming extinct. This must not be allowed to happen.

Yet our government is cutting expenditure, cutting in the wrong places, cutting out a just society rather than creating one. Every member of the government from the Prime Minister down has served notice on the provinces that these are lean years and they should expect nothing but cut-backs. What this means to Atlantic Canada literally, Mr. Speaker, is disaster. This government has made a big thing of regional disparity. They have even set up a new department to administer its affairs. But nowhere, least of all in this budget, is there any sign that the government knows the dimensions of regional disparity or where in fact it exists, let alone that it has any answers to the problem.

Let me say right now that the worst area of regional disparity in the provinces and territories that make up Canada is in the province of Newfoundland. If it were not so pathetic one could laugh at recent statements made by a Newfoundlander, the Minister of Defence Production (Mr. Jamieson), speaking last month at Grand Falls. He referred to the 20 years of notorious mistakes on the part of the provincial government as merely "mistakes of the heart". He said that "slide-rule theorists" and "hard-hearted administrators"

would not raise the standard of living in Newfoundland. I agree with him entirely, but I wonder whether he was thinking of his cabinet colleagues or some of the senior civil servants he ostensibly controls as a minister of the crown.

• (5:30 p.m.)

He advocated that we "abandon the conventional kind of approach to our problems" and use "a sound head and reasonable approach". With all this I agree wholeheartedly, and the minister undoubtedly would have been listened to closely if he had not made one further statement to the effect that the Prime Minister recognized Newfoundland's problems and endorsed unconventional methods of solving them. This is just too much to swallow. If the Prime Minister felt this way about Newfoundland and her problems, he would never have had placed before us such a despairing and barren document as this budget.

The truth of the matter is that no purposeful, co-ordinated attack has been mounted on Newfoundland's problems. I might suggest to our new government that even though the premier of Newfoundland was so obviously friendly to the right hon. Prime Minister at the Liberal leadership convention, it would be wise for the government of Canada, when making funds available to Newfoundland, to have the terms well thought out, to have well planned economic policies which will have a lasting effect on our people, and not provide funds for merely political reasons to continue the one-man distribution system that has been in vogue for the last 20 years.

Some hon. Members: Hear, hear.

Mr. Moores: One would hope the observations of one columnist will not have any resemblance to the truth when he referred to some of the premier's comments, wherein that gentleman described himself as having very much in common with the Prime Minister and said they were knee to knee, heart to heart, brain to brain—they were spiritually united. As the columnist so succinctly said:

> What we cannot afford is to see these two spiritually united gentlemen walk over the Newfoundland countryside into the sunset, knee to knee, heart to heart, brain to brain, hand in hand, with God walking a respectful ten paces behind.

Some hon. Members: Oh, oh.

Mr. Moores: Because of its centuries of isolation, its rugged and detached geography and its dependence upon one or two basic resource industries, Newfoundland has been in a special category and has presented a special challenge. Let me stress right here, Mr. Speaker, that solving this problem, meeting this challenge, is not a question of charity to the needy or helping the less fortunate in society. This is a truly national problem and a truly national emergency.

The halfhearted imposition of the 12-mile limit is another example of too little too late. It is now imperative that the government come to the defence of our east coast fishery in a positive and courageous manner, not in the pussyfooting manner in which the Biafran situation was handled but with the firm purpose that is mandatory when a part of the Canadian body is withering away.

Nothing short of taking over the management of our marine resources on the continental shelf, and taking that step now, will save our offshore fishery from going into the decline that the delay in the implementation of the 12-mile limit effected in our inshore fishery. I know all about the delicate international feelings this government is so longwindedly careful not to ruffle; but if Peru can make a unilateral definition of its territorial waters, surely the great nation of Canada can do no less. No nation such as Canada can afford to let any part of its economy atrophy without endangering the whole body. Newfoundland's prosperity is as much in the interest of the other provinces as it is of the people of Newfoundland.

This brings me to the main failure of this budget as seen through the eyes of Newfoundlanders. The federal government has overspent recklessly and thoughtlessly. It now tells the provinces of Canada to cut spending, to live tight. It is high time the federal authorities realized that Canada is composed of regions vastly different in their economic life, moving at varying economic speeds and requiring different and often opposed economic policies.

The old expression, "What is good for General Motors is good for the United States," does not apply to Ottawa and the ten provinces. What may be good at this moment for Newfoundland may not necessarily be what is good for Ontario, for British Columbia or even Ottawa. In a confederation such as ours it is a question of to each his own when we are looking at the disparate regional economies. Today Ottawa is like the spendthrift heir of the Victorian novels who dissipated his inheritance in riotous living. The Atlantic

region and, again, Newfoundland in particular, are like the poverty-stricken nineteenth century coal miner trying to get on his feet and find enough food and clothing for his children. Ottawa's plight is not Newfoundland's plight. Ottawa's needs are not Newfoundland's needs. The answers to Ottawa's current problems are quite different from the answers that must be found for those of Newfoundland.

I have said that the basic need of Newfoundland is to bring her economy in balance up to a respectable level. To do this we must start at the bottom. We must provide large scale, long term development of such things as power facilities, highways, resources and education as the foundation for an integrated and co-ordinated economy capable of steady and orderly expansion and capable, too, of providing the standard of living, social amenities and opportunities that are our people's due. We need this foundation upon which to build the secondary and service industries that are so necessary to a well-rounded and healthy regional economy. We need all this to provide the new wealth and the new tax base that alone can ensure that Newfoundland can cease to be a national economic liability and play its rightful role as an equal partner in the community of provinces that is Canada.

To undertake even the preliminary steps in this great enterprise will require federal and provincial government spending on a large scale. It will be necessary at any time, but in times such as these even more so. That is why I say that this budget, the pleas for cut-backs and economy by the Minister of Finance, the whole direction of Liberal policy, are out of step with Newfoundland's and Canada's true needs.

The minister has said the provinces cannot expect any portion of his social development tax revenue. He has said, in effect: the federal till is empty, the federal establishment is near bankruptcy. This is bad for all provinces. It will be a disaster for Newfoundland. The brutal economic fact of Newfoundland life today is that the provincial government is broke too. The provincial debt has almost doubled since 1965. In that year it stood at $502 per capita; today it stands at nearly $1,000 per capita.

Newfoundland cannot do what it must for itself without outside help. The only source for such help is the federal government. But the terms of this budget and the attitude of the minister have given in advance a callous and unfeeling "no" to any request for financial assistance. The economic crisis in the life of my province has been made more acute by developments in the only two great resource industries already developed to a reasonable degree of productivity, those of fisheries and forestry. Both these basic industries face tougher competition and lower prices in the world market.

The old established inshore fisheries are dwindling both in the number engaged and the revenue taken in. The offshore fisheries have increased in number and volume, but here lower world prices have all but destroyed the advance in productivity. With her few traditional industries in a chaotic state, and new industrial and commercial complexes not yet established, this is a year of desperate prospects for Newfoundlanders.

Last January Mr. Ewart Pratt, president of the Newfoundland board of trade and a member of the advisory board of the institute of social and economic research of Memorial University, stated that Newfoundland needed special incentives and special attention if it was ever to reach economic parity with the rest of the nation. "We all realize that the federal, as well as the provincial government, must exercise a much greater degree of restraint in its spending," he said in the *Globe and Mail* of January 3. Then he said:

> But we do feel that in the Atlantic provinces, and particularly in Newfoundland, we have so far to go to catch up with the rest of Canada that any restraint imposed by the federal government should not apply to us. In Newfoundland we are still well below prevailing economic standards in the other maritime provinces, to say nothing of the wealthier parts of the country.
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> In times of financial restraint, the emphasis should be on productive projects, enterprises which will benefit the economy of a region and create wealth. To do this, area incentives already exist. But they will have to be further expanded.

• (5:40 p.m.)

Here in a nutshell is our problem. Here in a nutshell is the great failing of this budget. What kind of a business is our Minister of Finance running anyway? In May he forecast a budgetary deficit of $40 million or less. Today the projected deficit stands at an appalling $675 million. I can easily understand the minister being wrong, but what about his army of expert advisers? How long could a man in private business avoid bankruptcy if he ran an operation on that basis? This is the government and this the minister who have the colossal gall to counsel belt tightening and the practice of economy.

Estimated federal spending now stands at $10.76 billion or $480 million more than they said they would spend last spring and $190 million more than they thought they would spend as late as last month. If a private concern had a comptroller who was as wide of the mark in his forecasts they would fire him on the spot. The Prime Minister claims he is running a business-like government, and he may take that as some kind of hint or advice.

On October 24 the Montreal *Gazette* referred to the "grim" budget. This is a mild term to use. The *Gazette* at that time said:

> How serious the situation is may be seen in Mr. Benson's admission that the budget could not be balanced for the current fiscal year, whether the government wished to do so or not... This is a grave admission for it amounts to saying that the rate of government spending is now so far out of control that a balanced budget is also out of the government's reach, even supposing that a balanced budget had been its aim.

In other words, this government is floundering out of its economic depth, with no prospect of finding bottom in the next few years.

This is tragic for Canada, and it is doubly tragic for Newfoundland. I can only express the hope that in the months ahead, the time still remaining before federal and provincial governments sit down to discuss shared cost programs, tax apportionment and other similar subjects, the Minister of Finance and his colleagues will give some thought to the special needs of Newfoundland.

I hope this government will recall the pledges made in 1949 at the time of confederation. I hope they will acknowledge the political and moral obligations assumed by Ottawa at that time. I hope they will abandon the makeshift emergency approach to Newfoundland's problem and tackle the question at its roots. It has been mentioned ad nauseam that we are going to have a just society with fair sharing, a society that will look after the regional disparity which Newfoundland, I would think, typifies.

Well, Mr. Speaker, we want a just society. I will support a just society. The one thing I will not support, the one thing I will fight, will be the attitude of the previous administration and this administration of the past three months of a just a little longer society. The people of Atlantic Canada require action and not philosophical platitudes. They want a plan with the objectives clearly defined. They want to make the rest of Canada proud not only of their being fellow Canadians but of their being contributing Canadians.

The popular conception of Newfoundland today is that it is a liability to the rest of Canada. But I would ask the rest of Canada to give Newfoundland and Newfoundlanders the opportunity to be an asset to this great country of which we are all so justly proud.

Mr. Richard J. J. Durante (Comox-Alberni): Mr. Speaker, in rising to participate in the budget debate I take cognizance of the fact that this is my first major address in these very auspicious surroundings. There is, however, one other first related to my rising here this afternoon, and I am very conscious of it. I am very proud to be able to draw it to your attention, Mr. Speaker, and to the attention of this house. This first I refer to is that I have the privilege of being the first Liberal member of parliament to represent Comox-Alberni in this House of Commons.

Although I am the first Liberal member of parliament from my riding, we of Comox-Alberni have been fortunate in having been represented by independent liberals for many years, and at this time I would like to pay tribute to one of those members, the late Mr. A. W. Neill who for many years served his country and his constitutents exceedingly well by his admirable contributions in this house. I hope that my representation on behalf of my constituents will be as effective as Mr. Neill's.

May I now pay tribute and offer my congratulations to the Minister of Finance (Mr. Benson) on the contents and presentation of his first budget. His budget is realistic and objective and is directed toward relating the trends of the past to those of the future. Close scrutiny by rational individuals of the budget will result in an appreciation of what the finance minister expects to achieve now and in the year 1969-70. The confidence he exuded in his presentation is reflected in his budget after objective perusal of it by rational individuals.

I am confident that the Canadian people have accepted this budget because they are rational and appreciate the necessity for measures taken in this budget. The public is rational, which is more than can be said for many honourable members on the opposite side of the house, excluding the rump section, of course. The Canadian people realize that services provided by this or any other government must be paid for by the public through one means of taxation or another.

There are those opposite me who would, on the one hand, offer all Canadians a guaranteed annual income, would build a tunnel to Newfoundland, and in brief would create a Utopia for all Canadians, while on the other hand they would decrease the present rate of

taxation. These two positions are simply not compatible, and those who take such a stand must surely be classified as irrational and irresponsible, and must have reconciled themselves to accepting the fact that their cries and pleas are going unheard and that they will not be in the position for many, many years to incorporate their absurd, contradictory policies.

As individuals, certainly we begrudge tax increases. I know I do and so do my constituents, but when a government is faced with the necessity of raising substantial additional revenues, as this government is, in order to place its accounts in good order, as Canadians we must endeavour to accept the methods used to raise those revenues.

I must confess I would have preferred, and I know my constituents would have preferred, the 2 per cent social development tax to be graded or graduated with a much higher ceiling so that a much higher proportion of revenues received would have come from individuals in the higher income brackets. As an alternative it may well have been more acceptable, in order to achieve the same purpose, to have had a smaller basic percentage without gradations and limitations.

Tax increase amounts, as well as the amount of taxes we pay, are relative. They are relative to whatever amount is left and to what can be accomplished with the amount that is left. Let me illustrate by reiterating what I as a Canadian taxpayer have often maintained, that under our present tax structure I would have no reluctance in paying $100,000 annual tax because in paying that amount I would be assured of putting a sizeable amount in my pocket. In other words, the amount of tax I pay is of no significance; it is the amount I have left after paying my taxes that is relevant.

I am concerned about the old age pensioner who must pay tax if he has a superannuation supplement because a $20 tax increase related to his net income places him in a much more difficult position than the individual who must pay a $120 tax increase or, if there were no limits on the 2 per cent social development tax, a $240 or a $480 tax increase. I do not sympathize with those who are paying high income taxes nearly as much as I do with those who are paying little or no income tax.

May I now turn to the howling, screaming provincial finance ministers, of whom my own is certainly no exception. These same provincial ministers of finance grope toward Ottawa with long reaching arms seeking handouts from this government. If I may diverge and draw an analogy for a moment, let me say that they remind me of young pre-school age children at the local fair reaching out for a grab bag that only costs a pittance but which may contain a prize of inestimable value. These ministers are prepared to take any offering from the federal government, utilize it to their political advantage, pat themselves on the back and, rather than give Ottawa the credit which is due, retaliate by criticizing our fiscal policies.

• (5:50 p.m.)

I should like now to refer to the province of British Columbia and to its finance minister who has gathered together a fleet of ferries of which he is extremely proud, and rightly so. But does he tell the people of his province or the people of Comox-Alberni who must use his ferries in travelling between their homes on Vancouver Island and the mainland of British Columbia, that a good portion of the capital cost of those ferries was paid by this government? I should say he does not. They are his ferries and yet as my colleague, the hon. member for Burnaby-Seymour (Mr. Perrault), has repeatedly said, if you were to remove the federal plates from Mr. Bennett's ferries they would sink like stone. Not one would remain afloat.

I do not, however, completely exonerate the federal government from all blame for failing to draw their financial contributions to the provinces to the attention of the Canadian public. A much more thorough job of informing our people of our participation in federal-provincial programs is essential. For example, federal contributions to the province of British Columbia to assist in the construction of the ferries to which I have just referred amounted to $38,486,920.99 from 1961 to 1967. Contributions to technical and vocational training in 1967 to the province of British Columbia amounted to $16,560,000. In the same year, just under $2 million was paid for highways and transportation. Contributions and payments to universities and the National Research Council amounted to $14,450,000 in 1967. I could elaborate further, but suffice to say at this time that the grand total for the year 1967 of federal contributions to British Columbia provincial and municipal governments and of payments to universities, other institutions and individuals amounts to $399,640,000.

From the amounts to which I have referred, Mr. Speaker, I am confident that my

constituents in Comox-Alberni received fair consideration, and so they should. May I now take this opportunity to indicate to the house the value of my constituency to the economy of the province in which it is situated and to our country.

Comox-Alberni is an area rich in natural resources. We have lumbering of a nature unprecedented anywhere in our country, commercial fishing with productive fishing grounds on both its west and east coasts, untapped mineral resources in the northern regions, pockets of ideal agricultural land and tourist enticement in every corner. Each of these industries, major in scope, is a vital cog in the Canadian economy and must not be underestimated. As a matter of fact, I accept as my responsibility the importance of keeping this area of our country, Comox-Alberni, well in the minds of our government. In recent years especially there has been a feeling that we in Comox-Alberni have been overlooked by the federal government and its development programs. I serve notice that now and in the future I will expect this government to give special consideration to the development of Comox-Alberni, and other areas of Vancouver Island, and to the development of its resources, including tourism, so that it will progress as rapidly as its potential would indicate.

The development of a west coast national marine park in the Tofino-Ucluelet-Barkley Sound area is a necessity and is to receive my highest priority as well, I hope, as the highest priority of the Minister of Indian Affairs and Northern Development (Mr. Chrétien). In excess of ten miles of white sandy beach which makes Long Beach, California, look like the beach here on the Ottawa river—it is not too appealing to me—will be the focus of attention along with the beautiful islands, bays, fjords and inlets of Barkley Sound. An abundance of marine life of every description is prevalent throughout the area. Tourism within the park will be of inestimable value. One half of Vancouver island lies north of the Gold river extending into Port Alice, Alert Bay and Port Hardy. This area abounds in natural resources. Its development is curtailed only because of the lack of an access road. A road must be constructed to provide access to the present 10,000 residents and to make the resources of the north island available to corporations and individuals prepared to develop them. This road to resources must be constructed, and it must be constructed as soon as possible. May I call it six o'clock, Mr. Speaker?

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Durante: Mr. Speaker, just prior to the supper recess I was expounding on the many attributes of my riding, Comox-Alberni, and unfortunately sufficient time does not remain to me to allow me to expound further on the attributes of my riding. I had referred to the Tofino-Ucluelet-Barkley Sound area where, high on the list of priorities, is the proposal for a national marine park. Then I had referred to part of the Vancouver Island area, and I should like to continue with my references to that same area.

Although this area lies as close as 150 to 200 miles from the heavily populated lower mainland of British Columbia, it does not receive benefits from our own Canadian Broadcasting Corporation relay, and transmitter stations must be provided to give the people of the area the service they deserve, the service for which they are paying and not receiving. I make reference to the Canadian Broadcasting Corporation intentionally at this time.

I agree, Mr. Speaker, with the premise that we need a more meaningful accounting of our economy; that we need to bring expenditures more in line with revenues; that we need to tie benefits to costs. I repeat, we must tie benefits to our costs at a reasonable ratio. Are the benefits we receive from the C.B.C. worth the costs? According to the estimates for the current year, C.B.C. expenditures will be in the neighbourhood of $140,147,000, an increase of $28½ million over 1966-67. Is the benefit we are receiving from this corporation worth this expenditure? The answer is no—certainly not to those people in Comox-Alberni who can receive it, and certainly not to those people who receive it with such poor reception that it makes the production even worse than it was in its original form. In my opinion this large corporation is wasteful, reckless and not conversant with the desires of its listening or viewing audience. What did it cost the C.B.C. to cover the recent Olympic

games, and where were the personnel responsible when our winning equestrian team received their gold medal?

Some hon. Members: Hear, hear.

Mr. Durante: To my constituents in the north island, a few of the million dollars budgeted for this corporation could well be used in developing an access road, so that they and the rest of Canada could derive benefits related to costs. On the east coast of Comox-Alberni two major centres, Campbell River and the three cities of Courtenay, Comox and Cumberland are to be found. Campbell River, the sports fishing capital of British Columbia and Canada, is one of the fastest growing cities in the riding and in the country. Courtenay, Comox and Cumberland lack the industrial development they should have, and ought to receive, with the assistance of this government. Cumberland, in its earlier days, was a thriving mining community, but now there is little progress in that area. I am of the firm opinion it should become a designated area so as to receive federal assistance.

The Courtenay-Comox area is too dependent on the Department of National Defence air base situated in Comox. The department, by the way, has title to valuable recreational land which it uses very infrequently; yet the use of the land is forbidden to the residents of the Comox valley. I refer to the Comox Goose Spit, a natural recreational area which is presently retained for naval cadet training during the two summer months. This is a most worth-while project, but I am convinced that cadets and residents should be able to use this natural park together.

Port Alberni, in the centre of my riding, is a progressive industrial seaport city, the only city of its size without a public airfield, and the only port which must transport much of its product to another seaport on the opposite coast of the island, for export by vessels. This latter condition exists because Port Alberni's harbour and wharfing facilities have grown obsolete and too small to cope with the exports of paper, plywood and lumber which are increasing at an encouraging rate annually. The proposed new and enlarged wharfing and storing facilities must be approved by the Department of Transport so that once again benefits will be tied to and supersede costs. This is a progressive community, and in fact a progressive constituency, and its progress cannot be hindered or prevented; rather it should be complemented by our federal government.

I have reviewed my constituency in this fashion, Mr. Speaker, to indicate that there are sections of this country that, while productive, are not as productive as their potential in resources would permit. I hope the government will include in its programs adjustment assistance to help presently established industries, and help the employees in those industries by creating new and additional jobs.

There is a danger, a very real danger, in Comox-Alberni, and in fact throughout the whole of Canada, that we tend to be obsessed with today, and not with tomorrow and the future. We tend not to plan programs, not to establish guide lines, not to project social outcomes which will result from present trends. The budget indicates some insight into the future; the rate of inflation must be curtailed.

Although I tend to agree with a one or two per cent inflationary annual economy, certainly the astronomically high rate of inflation which has existed in recent years must be corrected. Yet it must not be corrected to the extent that unemployment figures will soar. We must strive for a median between the two. Which is the lesser of the two evils? I am not sure, and would therefore take a mugwump's position in this regard and advocate a happy medium, if one exists.

Our lack of foresight is indicated in Canada today by the way in which the three levels of government, federal, provincial and municipal, are tossing a major problem back and forth. I refer of course to our problem of pollution. While our governments expediently relay this problem from one to another, the pollution of our water and air continues at an alarming rate. We are permitting this pollution to continue because we are procrastinating; and while we procrastinate our lakes, rivers and streams are being destroyed because industrial, commercial and domestic effluence continues to be poured into our water systems. If this continues in the future the inevitable will not be pleasant.

• (8:10 p.m.)

This government, this senior government, must lead the way in solving the problem. We must increase expenditures on scientific research, we must co-ordinate the research being conducted by industrial corporations, and tax concessions must be permitted if cost is the only deterrent to the correction of air and water pollution. Whatever the solution may be, let this government indicate immediately that it intends to correct the appalling

destruction of our water resources, even if other levels of government are content to sit back and permit this atrocity to continue.

I look forward to a taxation reform bill which will provide greater equity in taxation. As things stand, certain people are permitted to make tax deductions in some categories which, I submit, amount to getting away with murder, while too many people in the low income bracket, including pensioners and the disabled, are being murdered by taxation.

In conclusion, I support this budget, which appears to be a first step in setting our accounts straight. I hope it will be the precursor of tax reforms which are so essential.

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I do not wish to be repetitious of the compliments which have been paid to Your Honour, but like all other members of this house, I wish to take this opportunity on my first occasion of rising in this chamber to congratulate you on your election to your present high office. I would also like to congratulate Mr. Deputy Speaker, and the staff who are always so very cordial with their assistance.

Upon my arrival here in Ottawa, I took a stroll on Parliament Hill and, viewing the historic statues and gracious buildings, I felt what I am sure many other visitors to this great capital feel—that it is a privilege to live in a free country, a country free from the thought of tanks being flown in and parked on Sparks Street, a country free from bombings, a country free from the anguish and pain of hunger, a country in which all citizens are free to practise their religion. As one born in Poland, who emigrated to Canada with his Polish father and Ukrainian mother, I wish to thank the people of Canada and the people of Edmonton Centre for this great opportunity.

I am glad to be part of a society called Canadian and am glad that it is run by Canadians—by wheat farmers, cattle breeders, oil producers, fishermen, contractors, businessmen big and small. It has its defects, but if you think the brand the Kremlin has is any better, go ask the Czechs.

I felt, Your Honour, on hearing that the Prime Minister (Mr. Trudeau) had taken off for Spain after the election, that he had consulted with his guru and would start immediately, bubbling with enthusiasm, to work out new approaches and new programs which would concentrate on regional development in order to end regional disparities. All that has really happened is what I told people in my constituency: You will see increases in taxes, you will see unemployment, you will see more cutbacks of construction jobs; but you will not see national policies and programs implemented to counteract our national problems, because the group on the other side is too busy programming this new just age, and listening to McLuhanism. Hon. gentlemen opposite have no time for war veterans who are looking for long-overdue pension increases. They have no time to amend legislation by bringing in an escalation clause so that the pensions of the old could be increased in proportion to the cost of living.

The federal government has been allocated a substantial role in programming and meeting the costs of urban renewal. As Canada's fourth largest city, Edmonton is faced with this major problem. The major portion of the money required to carry out the urbanization program will be spent in the city centre, the part of Edmonton most affected. But what can we do, if the task force keeps rolling along? We require the relocation of housing complexes and the development of new ones as a necessary and integral part of plans to modify and revitalize our downtown urban complex. And this applies not only to my great city but to all the major cities in Canada. We on this side of the house do not require a task force to tell us that before feasible and immediate step can be taken to implement our urban renewal program, certain features are essential, among them the availability of money to encourage relocation of housing with due regard to the need for multiple housing units. Money must be made available at reasonable rates of interest and there must be confidence in the value of the dollar in order that property may be acquired at a proper price, and that property owners may receive real value for what they sell.

A revitalized housing program can only be produced when housing, urban renewal and pollution have been placed within the responsibility of a full time minister. Such a minister would have time to lower interest rates, phase out the current sales tax on building materials and bring in other attractive and essential features which are required in the remaking of urban Canada. We can no longer neglect young couples who lack housing, nor farmers who have to pay higher interest rates, nor the effect of our postal rates. When the Southam Press spends more than $3.50 to send its member of parliament a telegram complaining about what it will have to do in

order to meet the rising postal rates, I suggest that hon. members on the other side had better start looking very carefully at the type of legislation they are trying to ram through.

An hon. Member: We are.

Mr. Paproski: I say this because people like the friendly publisher and editor of the Edmonton *Journal* do not forget easily.

As one who has played professional football, I feel the latest budget has to be the greatest squeeze play of all time, as far as the taxpayer is concerned. The latest budget performance is a source of disappointment to Canadians, who were subjected to a 10 per cent tax increase in 1966 and a 3 per cent surcharge in 1968. Now they are faced with a further 2 per cent increase called a social development tax, in addition to the raising of the old age security ceiling to $240, and increased taxes on cigarettes and liquor.

Western Canada, already suffering economically as a result of failure to dispose of a large wheat surplus, will be hurt further by the move to restrict the depletion allowances granted to petroleum and mining companies. It should be remembered that these companies are risking their shareholders' money to bring in new resource development, and that if they are hamstrung by restrictive regulations they will, naturally, be less inclined to take risks. This will mean that a development which benefits every Canadian is slowed down.

Apart from the higher income tax bite, and the restrictions on development, the only new feature in the budget is the inclusion of life insurance companies in the corporation tax area.

Removal of the exemption in connection with medical bills paid by provincial plans exposes the individual taxpayer to a further hike in personal payments. The government has now revealed that medicare could go as high as $370 million. Last year we were promised a balanced budget. Now we are told it will be next year. The budget reveals a seasonal unemployment rate above 5 per cent during the summer months, a mild recession in 1967, with rising inventories and overcapacity in some manufacturing industries, in spite of the stimulating effect of Expo and high tourist spending, which have now largely worn off. Inflation has gone on unchecked.

• (8:20 p.m.)

Recessive factors have remained in the economy and the government has done little to deal with them. We can look forward to growing economic uncertainty and increased unemployment, at least on a regional basis.

The government produced one set of estimates last spring and followed them with a revised set of estimates in the fall, the only difference being an increase of $400 million. It is spending $10.7 billion with revenues of $10 billion, leaving a deficit between income and outgo of nearly $700 million.

If a businessman or corporate manager were to run his business in the same way I can assure you, Mr. Speaker, he would not be in the president's chair for long. The government has engaged in massive commitments through the Canada Pension Plan, the Canada Assistance Plan, and now medicare, while at the same time regrettably falling short in stimulating the expansive and productive sector of the economy at a rate sufficient to support the social welfare expansion.

Let us look at defence. It is interesting to note that defence expenditures have gone up 18 per cent over 1967, and on that ground the economic argument for unification is a complete failure.

The budget fails to cope with high and growing interest rates, high taxes and growing inflation. It does not cope with the problem of increasing real per capita output at a rate to ensure full realization of economic potential. Instead of moving to reduce interest rates, the government created the situation in the first place by removing the ceiling on interest rates. The recent action in amending farm credit and fishermen's credit legislation, to remove the limitation on interest rates, has added to the problem.

In the past two years prices and costs in Canada have risen more rapidly than prices and costs in the United States, in spite of the fact that Canada has not had to contend with the inflationary impact of Viet Nam. There has been no indication, in the way the government has managed its finances, of a real capacity to manage the economic growth of the nation. We had a 10 per cent tax increase in 1966, an increase in sales and indirect taxes in 1967, and a further 3 per cent surtax on incomes in 1968. In its latest budget the government had to grapple with the problem of closing the $700 million gap between spending and revenues. It had the choice of making a serious attempt to control its spending or come back to the people once again for further revenues. It chose the latter, like the pitcher that went once too often to the well.

In his minibudget a year ago the former finance minister promised to keep the increase within a range of 4.5 per cent, or a total of $10.3 billion. This the government did not succeed in doing. A continuing rate of increases in both costs and consumer prices of approximately 4 per cent has added to our economic problems. The Economic Council report describes the increase in real per capita output in 1967 as only about 1 per cent, well below potential.

In closing, Mr. Speaker, I wish to say that the government, although in office only a short time, already stands indicted by its own record. Canadians are being asked to pay higher and higher taxes to support a record of extravagance unequalled in peacetime history.

Where are the great plans and schemes of the just society? There is nothing in the budget for young Canadians, nothing offering them a challenge, nor is there any outline of the goals and objectives they seek. What of the great frontiers of science, the challenge of the north, the untapped resources of Canada? There is nothing here to challenge the imagination, nothing to inspire, to stimulate or to give hope.

It is evident, Mr. Speaker, that the throne speech, in the uninspired pedestrianism of its prose, was a true reflection of the government's lack of policy, lack of planning and lack of imagination. The budget is an expression of failure; it expresses the government's lack of confidence in itself. It is a vote of non-confidence by the government in its own policies. The government, having so expressed itself, how can this house do less?

[*Translation*]

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker, the present debate on the budget gives us the opportunity to discuss many things which would normally be discussed only when we study the estimates of each department.

Mr. Speaker, I should like to make tonight a prelimary remark which has little to do with the present budget debate, but which I think is necessary because it has some importance with regard to the Canadian declaration of human rights which, I think, all hon. members hold in high respect.

I have twice intervened in this house, Mr. Speaker. Once I rose on a question of privilege, and another time, during the debate on the estimates of a department, I pointed out that there was a time when certain members of this house had taken a sort of pleasure in digging up scandals, in making unfounded accusations right and left. This had led certain people outside the house to take pleasure in insinuating that certain members of the House of Commons could engage in activities that are dishonest and in violation of their oath of office.

Mr. Speaker, we witnessed a whole series of scandals concerning furniture and all sorts of other things. However, at one point a former member of the legislature of the province of Quebec, a former federal minister and member of the Privy Council, was accused of wrongdoing and dishonest dealings with regard to a race track. This lasted for some two or three years, Mr. Speaker. The representative in question appeared before the court of appeal and was unanimously acquitted. He then appeared before the superior court and was again acquitted.

It is not for me to judge the conscience of everyone, but in our democracy, if the human rights exist, our courts should also exist and—

The Acting Speaker (Mr. Béchard): Order. I am moved by the sympathy of the honourable member, but I think that he should confine his remarks to the present discussion, which is quite broad, and I do not think that it is time in this debate to dwell upon certain things which happened outside the house.

Mr. Mongrain: Mr. Speaker, I abide by your ruling with great deference. I would be embarrassed to be a member of a Liberal party if what you have just said really was not in order. It seems to me that when discussing the budget, this has an incidence on this basic concern which is called "human rights".

If we have a budget and if each member of the community is assured of getting what it needs, in short if public taxes are levied upon him, it is also because we are conscious of the existence of human rights. If the rights of the hon. members or the ministers of Her Majesty cannot be claimed on this occasion, I wonder how it can be done. I am tempted to rise on a question of privilege, because when I mentioned it the first time, Mr. Speaker, the opposition objected and did not let me finish my remarks.

I raised the matter another time and I was able to complete my remarks; however, I have not exhausted the subject. To-night—and I need hardly three or four seconds—I want to blame the press, which is not represented here to-night, despite the fact that its

135 members should be in the house, for having made head-lines which might have been written for any member of any party. If an irresponsible person charged them with anything, they would make the head-lines in the whole country; however, when the victim and his family who suffered from the head-lines are exonerated, they still are not exonerated by the press.

I conclude my remarks on that matter, Mr. Speaker. It is more important tonight to speak of the budget than to say that the press does not play its part as it should and that it is ill-advised to tell members of parliament that their attendance and their objectiveness are not always as they should be.

Mr. Speaker, we are speaking about the budget, and I am coming to that. I have listened to the speeches made since the beginning of the budget debate probably more carefully than most members.

Certain members have taken pleasure in attacking the government. It was a perfect opportunity to criticize the government, because we can talk about anything at all during the budget debate. However, I must say one becomes used to these things, just as one becomes used to someone who is always shouting "fire" or crying "wolf". There comes a time when one no longer believes that there is a fire or that wolves are coming.

We are often told that the role of the opposition is to oppose, to criticize, and I see my hon. friends on the other side of the house who are extremely intelligent men and extremely honest from the intellectual point of view—

Some hon. Members: Hear, hear.

Mr. Mongrain: I take pleasure in repeating that they are extremely intelligent. They look intelligent, honest, but they strike me as being shy at times about making certain assertions, because they have been told repeatedly that they must oppose, because they are in the opposition. They do so to the extent where their features sometimes express obvious displeasure.

The opposition did not muff this opportunity; besides, it was quite an opportunity, in that the government having just been elected with a majority that has not been seen for quite some time, it decided to take its responsibilities with frankness, which also had not been seen for quite some time. This government did not make empty promises. On the contrary, it decided to assume its responsibilities and with unusual frankness to tell us that we are going through an international financial crisis which our own finances reflect. And that, of course, hurts the whole opposition. Obviously, some sympathy goes to the members of the opposition, because they are still numb from the monumental threshing they got during the last elections. That is no fun, and I sympathize with them because I too have known cruel defeats. I know that nobody is happy the morning after a defeat. So, I understand why they have this kind of complex that compels them to blame the government for all human ills. It is as good a way as any to let off steam. This is only natural, Mr. Speaker, since they have been under pressure since June 24. It is only normal, and we expect that sort of thing.

People in the gallery who are unaccustomed to follow our debates must think, after having listened to the members of the opposition—who are about the only ones to participate in this debate—that the end of the world is at hand, that the government and Canada are bankrupt. Well, no. It is merely misrepresentation.

I heard the members of the opposition say, for instance, that the budget was a catastrophe, that it was made for the rich against the poor, in brief that it demonstrated poor administration and waste. The just society, Mr. Speaker, has been derided. The hon. member for Yukon (Mr. Nielsen), who has the knack for make-believe and scandal, went so far as to say that the government was robbing the taxpayers.

Some said that the government was unfair to the provinces, that it had failed to provide anything for the eastern areas and that it was misleading the people.

My hon. friend from Carleton-Charlotte (Mr. Flemming) said, and I quote him in English to make sure I am accurate:

• (8:30 p.m.)

[*English*]

"Inflationary result of inflation is excesses of the government."

[*Translation*]

And the hon. member for Red Deer (Mr. Thompson) said, and I quote:

[*English*]

"The federal government must return to fiscal responsibility."

[*Translation*]

Mr. Speaker, it is easy, when it is raining in one's house, to say that it is raining everywhere else. But this does not prove at all that

it is actually raining everywhere. I understand that the opposition should be carping at government's faults. This is only normal. Ever since there are opposition parties, things have always been done that way. Nevertheless, you will not make the Canadian people believe that the moon is made of green cheese. Proof of what has been said does not lie only in the fact that the opposition said so. We know that its role is to object and to try to find all kinds of reasons for doing so. It is even its function to find fictional reasons and to cover up the facts under an appearance of scandal so that the Canadian people may rise against the government—for election purposes, of course—and favour the opposition.

But the opposition should keep in mind that the Canadian people gave an unequivocal confidence vote to the party now in office and that this party should be given the opportunity to prove itself.

The just society has been ridiculed, Mr. Speaker. It is easy to make fun of the most sacred things, but we should recognize that even the Creator of this universe in which we live does not really require a just society. He could have it immediately if He wanted. He could see to it that no human being should suffer from illness, physical disability, poverty or any other evil. He decided to leave a measure of freedom to human initiatives and rulers.

We cannot expect two, three or four months after the election, with the filibusters of the hon. members opposite which prevent us from passing the necessary legislation, that we will soon be in a position to establish the just society. I know that my hon. friends opposite understand that.

Indeed, when they rise to intervene, I look at them and I realize that several among them are embarrassed because they have to object in some fields where they know that a certain period of time must elapse before the suggested formulas can be applied.

[*English*]

Mr. Yewchuk: On a point of order, Mr. Speaker; would the hon. member be so kind as to define "just society"? What is it?

The Acting Speaker (Mr. Béchard): There is no point of order.

Mr. Nesbitt: There is no just society.

Mr. Mongrain: Mr. Speaker, I will try to explain my point to my hon. friend. I hope to goodness my friend does not expect me to allow my speech to be inspired by the opposition. I have a speech here that has been prepared. If my hon. friend does not understand the just society now he will never understand it, because it has been explained many times. Another proof of what I am asserting now is that most Canadians understood it, because they voted for 155 members of this house.

• (8:40 p.m.)

[*Translation*]

Mr. Speaker, it is true that we have an austerity budget, and that I dislike the $120 social development tax. I admit quite frankly that I do not understand the reasons for it, if only to prove to my hon. friend the leader of the Ralliement Créditiste (Mr. Caouette) that we are not really sheep in this house. However, I will say that in view of the international financial crisis which we are going through, we needed an austerity budget, and we had to accept some unsavoury measures. The Progressive Conservatives or any other party in power would also have to accept them, because this is an international crisis. Therefore, I say it is better to accept what the government asks us to accept than whatever an irresponsible opposition could suggest.

Mr. Speaker, it has been said that IBM computers can make mistakes; then, one can readily imagine how much human beings are liable to be wrong, which is normal. Can the opposition tell me that, being in office, it would have avoided such mistakes? Besides, past experience shows that it made mistakes far more serious. It is only too human to make mistakes, but the clever human being has enough courage to correct them, to take bold and honest steps to establish an economy preventing more evil.

Mr. Speaker, I believe that this budget is courageous and not an election budget. It aims mainly at consolidating the Canadian dollar and at strengthening confidence among those who would invest in Canadian enterprise.

The Leader of the Opposition (Mr. Stanfield) mentioned the credibility gap at one time. He and the hon. member for Yukon have both said the same thing, that there is a credibility gap. I am trying hard, because I am French-speaking and I may get mixed up in my English words. The Leader of the Opposition spoke about the credibility gap. I have a great deal of respect for him. In fact, I respect him so much that I have a notion to advise him not to listen to

some of his back-benchers who are leading him along paths he is not used to following, because he is so much of a statesman and an honest man. I, for one, believe this.

He spoke about this credibility gap, but he forgot to say this credibility gap does not concern the government but rather the Canadian dollar. He also said that the Canadian dollar was facing a credibility gap, on account of international circumstances and, Mr. Speaker, I can show you evidence of that. I have here the speech delivered by Mr. Louis Rasminsky, Governor of the Bank of Canada in Victoria, before a joint meeting of the Canadian Club of Victoria and the Federated Council of Sales Finance Companies. Now, Mr. Rasminsky is not, after all, a man to play politics, and here is what he said:

My last public review of the activities of the Bank was on February 29—

The pressure on the Canadian dollar that developed last winter was still very severe. The turning point in the defence of our currency, which was in serious danger, had not yet been reached—

That particular episode, I am glad to say, has had a happy ending.

Fortunately, it is Mr. Rasminsky who says this. And that speech, Mr. Speaker, was delivered on October 17, not six months ago, it is quite recent.

I continue:

—now that it is possible to breathe easier—

Mr. Rasminsky is saying this, not me.

Now that it is possible to breathe easier—and I can assure you that we passed through some anxious moments—I would like to take time to look back on that period . . . Some explanation is appropriate since the defence, although very much worthwhile, was by no means easy or without cost for the Canadian economy.

And so, I should like to remind our friends who are complaining about this budget that—precisely because it is a crisis budget—the international financial situation must bring to mind the devaluation of the pound sterling in England, the 10 per cent surcharge on income tax the President of the United States had an awful time levying, the crisis of the gold standard in France when General de Gaulle felt all powerful to control gold, as well as the steps taken by other countries of lesser importance. Canada managed to go through the crisis, to strengthen the dollar. If there is any doubt about it, once again I shall call upon Mr. Rasminsky, governor of the Bank of Canada. What he said about it proves—and I suggest my friends read what they probably all received, that is a summary of his speech on October 17 last with supporting figures—that the situation of the Canadian dollar has been strengthened and that it was imperative that the confidence in the Canadian dollar be strengthened. That is not the confidence in the Canadian government; if it were, I could quote Mr. Rasminsky again when he said that the Canadian policy fortunately helped to strengthen the Canadian dollar.

In this area the skies are brighter now.

The skies are brighter; this is no prophet of gloom and doom who speaks, no spokesman of the opposition. "The skies are brighter now." Nor is Mr. Rasminsky a politician.

I have recently returned from the annual meeting of the International Monetary fund where I was encouraged by the evidence of much greater international financial stability—

Mr. Speaker, what does all this criticism from the opposition amount to, if not merely to the normal complaints of a team that was beaten in the last election and is trying to restore the fortune of its house by launching all sorts of attacks, justified and unjustified, hither and thither, to discredit this government.

Rather, we would need to form a sacred union, because the crisis is not essentially Canadian. There is no lack of confidence in the government, but this is an international crisis, and it is suggested to each taxpayer to ask himself what he can do for his country and not what the country can do for him in order to overcome the difficulties, because if the Canadian dollar is devaluated for lack of confidence of foreign countries, this would entail the ruin of a lot of Canadian enterprises and would bring unemployment for thousands of taxpayers.

Mr. Speaker, this is no mystery and all the economists will tell you so.

Some hon. Members: We doubt it.

Mr. Mongrain: You doubt it? I have here before me—and I think my hon. friends have it also—the report of a press conference given the the Minister of Finance when he made his budget speech.

Mr. Muhn, an economist, wrote this, and I quote:

[*English*]

Today Mr. Benson has presented a budget which would be balanced next year by raising the taxes notably. If we consider the importance of inflation in the economy, I think that this budget is reasonable—

He did not say remarkable, but reasonable. To continue:

—it's a good step to put some better order in federal finance.

[*Translation*]

We must put better order in federal finance. I know what my hon. friends will say: if we must put order, it means that there was none. Yes, Mr. Speaker, there was a little disorder, because our hon. friends required the government to make investments of millions or billions of dollars, and the government wanted to do its share, following the requests of the opposition, to try to maintain the economy. At one point, it realized that things were going too far—because we cannot spend more than we can reasonably collect—and the government decided to adopt a healthy financial policy, inspired by the best economists and financial experts, not only in Canada but also abroad. It dared face the electorate and say: This is what we will do. We shall increase taxes. Such an increase hurts, obviously. And it hurts me probably more than some of my colleagues in a better position to afford it. However, if each and every one in a country such as ours is not prepared to make the sacrifices that sometimes prove necessary, we are on the way to bankruptcy. The opposition utters shallow and irresponsible criticism, since it has no concern but to blame. It could eventually lead this country to bankruptcy, were it not for the intervention, at a given time, of someone with a sense of responsibility.

• (8:50 p.m.)

Mr. Speaker, the Leader of the Opposition (Mr. Stanfield) touched on various subjects which I do not wish to cover again, because other members will have an opportunity to do so.

I would have liked at a certain time to challenge some statements made by the leader of the Ralliement Créditiste (Mr. Caouette) who travels throughout the province condemning the financial policy of this government. I will speak with a little more restraint than I had thought I would. In fact, I feel that this afternoon he was the object of some unintentional discourtesy, if you like, but he was probably slightly to blame because he exceeded the time allotted to him, but he should have been granted a few minutes more to continue. By travelling throughout the province of Quebec to criticize the financial policy of the government the leader of the Ralliement Creditiste acts in an irresponsible way.

He should realize that he makes statements—and I am pleased to see him coming in—which he knows are inaccurate, because he is intelligent.

This afternoon, however, I approved him when he protested against the C.B.C., because he was right. His delegate at the committee on broadcasting, films and assistance to the arts will tell him that I was the first one to suggest that the authorities of the C.B.C. be questioned and to say that I did not approve of the kind of discrimination referred to by the leader of the Ralliement Créditiste.

Moreover, I agree with the leader of the Ralliement Créditiste on many things, but I do not approve of his going around the poor areas of the province where he says to those who benefit from the social legislation of the federal government that the latter discharging its responsibilities towards them. He promises them some illusive things, he promises them—to use his own language—air-blown balloons with vivid colours, if you like, because our poor—

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

The Acting Speaker (Mr. Béchard): The hon. member for Témiscamingue on a point of order.

Mr. Caouette: I just wanted to tell the hon. member for Trois-Rivières (Mr. Mongrain) that in my own constituency there are not less poor people than in his own constituency, but I want to defend them and he wants to sell them; that is not the same thing.

The Acting Speaker (Mr. Béchard): Order. There is no point of order.

Mr. Mongrain: Mr. Speaker, I would tell the leader of the Ralliement Créditiste that in my own constituency, there are people who benefit from disability pensions, from family allowances, from unemployment insurance, free hospitalization, the Canada assistance plan, old age pensions, guaranteed minimum income, manpower retraining programs, war veterans' allowances, urban renewal programs, programs providing special services to municipalities, student loans, special grants for sports programs, research and marina installations. All these social measures were passed by my party and not by that of the hon. member. Moreover, these people have benefited from various projects commemorating the Canadian centennial. Those achievements, Mr. Speaker, are not vague promises

or mirages, but dollars which have been paid to the Canadian people out of the taxes paid by the Canadian people.

In fact, my hon. friend is trying to make the Canadian people believe that they can get by while doing nothing and benefit from those advantages which are provided out of inexistent funds. But I say to my hon. friend that he is making false representations, that he is smarter than he wants to show. Either he knows what he is talking about or he does not. If he knows what he is talking about, he is not honest and if he does not know, he should shut up. Because we cannot have colour dreams nowadays. We live with dollars and we must pay for everything in this world.

I have studied his financial system very carefully and I know that I am not as intelligent as my hon. friend, but I have noted a few of the statements he has been spreading around for the last 35 years. As far as I know, his philosophy has never been actually applied. This shows perhaps that it is not practical. But nevertheless, even if it is practical, Mr. Speaker, if it took another 100 years to succeed, the poor people in my constituency will have to eat to-morrow morning and they cannot wait. They will be able to manage because of the legislation passed here and not because of promises such as those my hon. friend makes here in the house or elsewhere. They cannot live on balloons any better than they can live on promises, Mr. Speaker.

We should, therefore, be realistic and I know my hon. friend is aware of that. Unfortunately, he has to sustain his reputation as the leader of this—

An hon. Member: Mr. Speaker—

The Acting Speaker (Mr. Béchard): Order. I am afraid, I should remind all the hon. members of this house, especially the senior members, of the ruling forbidding any hon. member to interrupt a colleague once the latter has the floor.

Mr. Mongrain: May I ask you, Mr. Speaker, how much time I still have?

The Acting Speaker (Mr. Béchard): The hon. member has two minutes left.

Mr. Mongrain: I thank, you Mr. Speaker.

I have a great deal of respect for my honourable friend, the leader of the Ralliement Créditiste for reasons which I do not have the time to list, because my time is running out.

He is so intelligent and I respect him so much that I would not want to let him go astray, as he does now, following courses which solve nothing for his voters in matters which are deceptive and totally imaginary. I should like to point out to him that, with his intelligence and energies, he is quite able, to do much better than that, to do realistic things for people who live today, not for those who will live a hundred years after his death.

To come back to the budget, Mr. Speaker, I will say that it is a realistic budget, a courageous budget, a budget which hurts.

I will agree with all my honourable colleagues, that it is a budget which hurts. There are some things which I would not have done in that way, and I confess it. But if the opposition party had proposed another budget, I would have probably objected to two or three things. We have to arrive at a solution and it is that which is suggested by the honourable Minister of Finance.

The Acting Speaker (Mr. Béchard): Order. I am sorry to interrupt the honourable member but his time has expired.

[*English*]

Hon. J. W. Monteith (Perth): Mr. Speaker, I must admit that I was considerably amused by some of the words uttered by the hon. member for Trois-Rivières (Mr. Mongrain). I do not want to comment in detail on what the hon. member said, but he intimated that the opposition seemed embarrassed in criticizing the budget. I think it is only fair to say that in the 15 years I have been in this House of Commons I do not believe I have ever known a budget that could be more readily criticized. The hon. member also had some entertaining things to say about the just society. I suggest that this budget is a poor excuse for a just society. I think the hon. member called it an austerity but courageous budget. I know he is a very amusing and entertaining speaker, and I enjoy listening to him. As a consequence, I can only assume that he was joking when he said those words.

There has been a singular lack of front bench, government members speaking in support of this budget. I cannot quite understand this. Several of the new private members have spoken, and I know this is an excellent time for them to speak; but I would have thought that when we were discussing a budget as lacking in substance for the people of Canada as this one, surely it would have received some support from the government benches.

I know that trying to make a silk purse out of a sow's ear is always a fascinating exercise, and the minister's performance in the house on the night of October 22 last was certainly fascinating. Even more fascinating was his performance on television later that night when he was interviewed by Mr. Lynch and Mr. Collister. In that interview the minister was very quick to blame the provinces for the highest federal expenditures in our history. However, he did admit that he had been $600 million out in his calculations last year, because of a refusal to accept the warnings given to the federal government by the provincial governments.

One of the astonishing things in the minister's television performance on the night of October 22 was the revelation as to his taxation philosophy. It had to be seen to be believed. Referring to young Canadian married couples in the income class of $10,000 and over per year, he stated his philosophy in these words: You put as much as the traffic will bear on these people. That is the minister's philosophy, enunciated not once but twice on the national television, and he had the gall to blame the provinces for high levels of taxation. We all recall when the policy was to soak the rich. The present policy is to soak everybody. He went on to say:

• (9:00 p.m.)

I do not think this is an easy budget at all and it is not the kind of budget I like to bring in as a new Minister of Finance.

Well, such frankness is always welcome and commendable, but I think most Canadians would agree wholeheartedly with that statement. They just do not like any part of the budget.

The minister went on to proclaim an impassioned justification of the completely indefensible 12 per cent sales tax on building materials, when he said:

If you have to pay 11 per cent sales tax, or 12 per cent, it is, I believe, for clothing for your children, for household furniture, for everything you buy, why should housing be exempted from that? ... Well, if you want to subsidize housing, subsidize housing.

The fact that the government's 12 per cent tax has, more than any other factor, placed housing out of the reach of a whole generation of young Canadians, the same people the minister wants to soak as much as the traffic will bear, disturbs him not in the least. With a philosophy as destructive and antisocial as this is it any wonder we have a budget—

Mr. Benson: I wonder if the hon. member would permit a question? Does he realize that almost half of the tax revenue from taxes on building materials comes from commercial operations rather than from housing?

Mr. Monteith: That is perfectly all right, Mr. Speaker. I mentioned when this was brought in what it was going to do to the cost of living, and my prediction came true. It put housing beyond the reach of the average person.

The minister made one statement worth looking into when he said:

I said a little earlier tonight that, you know, if we go through another year and we're out six per cent which is very good for business, we'll probably end up with a new Minister of Finance.

Coming from a minister who guaranteed parliament that he would remain within an expenditure ceiling of $10.3 billion and that we would have a balanced budget this year, I think that suggestion merits active consideration by the government. The ceiling has become the floor, and the balanced budget another Liberal vanishing act.

The only really new feature in the budget is the inclusion of life insurance companies in the corporation tax area. The minister even included fraternal and benevolent societies. These are mainly non-profit organizations and many perform charitable functions for those members who are in dire need. Still they are included. I am going to suggest when we get to the budget resolutions that we examine this particular item very closely with a view possibly to amending it. About all that can be said in general about the budget is that it represents another tightening of the Liberal screw. The economy is being squeezed by the government for all the traffic will bear, and the taxpayer is being wrung dry.

The 2 per cent surcharge is described as a social development tax. It could as easily have been described as a medicare tax. Primarily it hits the little man below the belt. The minister now reveals what medicare is going to cost; but what about the previous minister's prediction of $1 billion for all of Canada? It appears to me there is a great credibility gap with regard to what medicare is going to cost. They have been wrong before and could easily be wrong again.

Now we have a $675 million deficit on top of last year's $792 million deficit. Once again we have the tired old Liberal ploy: Next year will be better. The government cannot go on living off next year's income. Last year we were promised a balanced budget this year; now we are told it will be next year. It is not only the budget which is unbalanced, it is the government.

In this connection, it is interesting to refer to the firm and high sounding declaration of intention made on February 13, 1968 by the minister, when he not only promised but guaranteed a balanced budget. This has been referred to before but I am going to repeat it. His words on that occasion could well be imprinted, if not on the walls of this chamber in letters of fire, at least on his brain. The following are his words as reported at page 6663 of *Hansard* for that date:

> Mr. Speaker, I should like to guarantee to the house that after the supplementary estimates are introduced during the year and the year has ended, with the normal lapses that always occur, we will hit our $10.3 billion ceiling and will balance the budget this year.

What I am particularly interested in is this next line in *Hansard*:

> Mr. Ricard: You are whistling in the dark.

Nothing could have been truer; that statement is one of the classic misstatements of all time. The more it is analysed, the more it reveals the weaknesses of the present Minister of Finance, who was then president of the treasury board, but who was speaking as a member of the government responsible for keeping expenditures in line. He guaranteed, first, a ceiling of $10.3 billion and, second, a balanced budget, and he was 100 per cent out on both predictions. I should emphasize that they were more than predictions; he used the word "guarantee" and obviously was speaking as a responsible minister giving a commitment to parliament.

The $10.3 billion ceiling was shot to pieces long ago. Expenditures are now at $10.780 billion. The minister's successor in the Treasury Board portfolio tried to blame the provinces. Then we found that the provinces had warned the government, whose computorized brains were apparently only capable of ignoring what they learned.

I saw a headline in one of the papers the other day which read: Next Stop The Moon. I thought they were referring to the budget, but apparently it was a reference to the United States space program. These fiscal astronauts opposite, however, are in a class by themselves. I am only wondering what will happen when they try to get back into the earth's atmosphere. I am seriously worried that they will simply burn up, and take the economy with them.

This budget is a confession of the government's abysmal failure to keep expenses in line. On December 6, 1967, I spoke in this chamber on the minibudget which was presented that autumn, and I dealt in some detail with the government's expenditures since they assumed office in 1963. I set out the complete picture from the time they took office until the time when I spoke, pointing out that the expenditures had continued to increase, not too tremendously, in the first few years. Now, I want to emphasize what happened the last three or four years during that period.

• (9:10 p.m.)

For instance, in 1966-67 expenditures rose 13.7 per cent. In 1967-68 they rose 12 per cent. The year in which we are now, and about which the minister so glibly said last winter he was going to hold the increase to 4.5 per cent, shows an increase of 9.5 per cent. The final supplementary estimates are not in yet. We heard today about a supplementary that will have to be added. The estimates for 1969-70 indicate a still further increase of slightly more than 8 per cent. When and where is this government going to call a halt to these escalating expenses? I claim they have been gradually developing these spendthrift ways since their very first days in power in 1963. There was a change of atmosphere in the last three years, and there has been a series of gross miscalculations. We recall how the government tried to fool the public during the discussion of the estimates last spring. The government rarely even mentions the need for restraining expenditures now. They have found a wonderful new method: We will do it next year.

Apparently this is the new approach: stick around a little longer and you will see that next year will be the big year of the balanced budget. This is known as the wait a little longer theory or, I would suggest, the Benson backward budget balancing plan. Prior to the turn of this century there was a man named Blondin who developed a balancing act over Niagara Falls. The present minister could give Blondin cards and spades, I suggest. Blondin won world acclaim when he walked over a yawning gulf with a man on his back, but the other night the minister walked over a yawning gulf with a whole government on his back.

What about the ordinary Canadian? I trust that it will not be considered a breach of etiquette if I mention the ordinary taxpayer in this chamber, or bring his plight to the attention of the government. Let us look at the tax tables to see what the government has done in two short years to a married taxpayer with two dependants. Let us remember

that within two short years, plus a few months, the tax of the average married taxpayer with two dependants and an income of $4,000 has increased from $97 to $210; with a $5,000 income, from $205 to $422; with a $10,000 income, from $987 to $1,764; with $15,000 income, from $2,141 to $3,415.

I can say that if the government continues in this fashion they will be getting the Nobel prize for physics because they will be the first people in history to squeeze blood out of a stone. What they are doing to the taxpayer is unbelievable. We have seen the cost of living increase considerably in the last two years. In December, 1965 the cost of living based on 1949 equalling 100 was 140.8. The last report I saw indicated it was 156.4, an increase of 15.6 points. This actually represents an increase of 11 per cent since December, 1965. During this same period personal income taxes have increased by the percentages I indicated. Where is the average person going to end up under this government? What consideration is the average older citizen receiving, who is living on a fixed income?

This budget has ended the suspense of how the government was going to raise its money. The question the taxpayer is asking now is, where is the money coming from? I suggest the unanswered question is, where is the money going? So far as taxes, direct and indirect are concerned, Canadians have about reached the end of the rope. Income taxes have never been higher. Indirect taxes have added to prices and costs, and the most evil indirect tax of all, inflation, has been fired by uncontrolled government spending. The minister has now given his prescription for how the government is going to go about raising its money in the coming fiscal year. I suggest that for many Canadians it will be bad medicine.

In the last two years we have had a succession of tax increases. As I mentioned, we had a 10 per cent tax increase in 1966; an increase in sales and indirect taxes in 1967 and a further 3 per cent surtax on income in 1968. Now, in the present budget, the government had to grapple with the problem of closing a $600 million gap between spending and revenues.

Mr. Stanfield: They are increasing taxes twice a year now.

Mr. Monteith: It is a good average; they have done it before. The government had a choice of making a serious attempt at controlling spending or coming back to the people for further revenues. In his minibudget of a year ago, the former minister of finance promised to keep the increase in expenditures within the range of 4-5 per cent or a total of $10.3 billion. This government came far from doing that. It is worth remembering also that the present minister, shortly after assuming the portfolio in May, said in Quebec City that inflation was the most serious problem facing the Canadian economy. He proposed a wage and prices review board. This promise has remained in the limbo of forgotten Liberal promises.

At that meeting, according to the *Globe and Mail* for May 21, 1968, the minister said:

> We hope to have a balanced budget—

Let us remember this was before the election.

> —and we should be able to attain this with minor fiscal adjustments.

I should like to recall also to the minister and the government the recent speech by the Governor of the Bank of Canada on October 17, in which he warned of the effects of the present high rate of federal spending. He called for prices and wages guide lines which have not been forthcoming. This is what he said:

> Our recent exchange problems have shown how important it is to avoid any undermining of confidence by a further extended period of poor cost and price performance.

This warning will no doubt be put in the same category as the repeated warnings of Ontario officials that the government had seriously underestimated the cost of shared programs. As it turned out, they were right, but the warnings were ignored. Yesterday my leader spoke in this debate, paying particular attention to how this budget and the recent assertions by the Prime Minister (Mr. Trudeau) are going to affect the provinces and federal-provincial relations generally. He dealt with the future of such relations from long years of experience; consequently, I will not go into the field of shared-cost programs tonight. I would say, however, that never have relations between the federal government and the provinces been at a lower ebb. On top of this the government is forcing its medicare plan on the provinces, with every intention of backing away from it in five years.

• (9:20 p.m.)

This budget, sir, has stunned people across Canada in every walk of life. The credibility

gap has continued to widen. Before sitting down, Mr. Speaker, I wish to read the amendment we shall vote on this evening. The hon. member for Edmonton West (Mr. Lambert) moved that—

—this House regrets that the government has repeatedly deceived this House and the Canadian Public as to the extent and gravity of the 1968-69 budgetary deficit and has destroyed its own credibility and that of the 1969-70 budgetary forecasts notwithstanding the heaviest peace time tax increases and consequently rejects the government's statement of the country's financial position.

Many hon. members on the government side have deplored the tax increases in this budget. Quite obviously they have spoken the way they have because they will not feel comfortable about the budget when they speak to the constituents in their ridings. I say that if one believes in what he says, how can he fail to support the amendment tonight, along with everybody else on this side of the house.

Mr. Judd Buchanan (London West): Mr. Speaker, there are three or four areas in the broad field of our financial affairs about which I would like to make some brief comments.

The first area concerns family allowances. When the original legislation pertaining to family allowances was first enacted almost 25 years ago, Canada had very little other social welfare legislation. We did not have old age security, the Canada Assistance Plan, the guaranteed income supplement, provincial hospitalization schemes, the Canada Pension Plan or many other municipal, provincial and federal programs which we now consider basic to the physical and financial well-being of Canadians. It is my submission, Mr. Speaker, that the universal family allowance system as it is now constituted has in some ways outlived its usefulness, and that part of the funds which are now being expended on family allowance could be used more directly and significantly to help certain people in our society to whom we owe a greater measure of assistance. During the fiscal year, 1966-67, we spent more than $600 million on family and youth allowances. If these allowances were not paid for the first child in each family, we would save approximately $250 million each year.

I believe, Mr. Speaker, that most families in our present economy can bear the burden of raising their first child without assistance from the government. This figure of $250 million is approximately the same amount as was spent upon the guaranteed income supplement last year. I would suggest that we would be filling a far greater need and discharging a more pressing responsibility to our Canadian citizens if we ceased paying for the first child in each family and instead doubled the guaranteed income supplement. This would mean that all single Canadians who are receiving the old age security pension would be guaranteed a minimum income of approximately $140 per month and that all couples would have a minimum income of $280 per month if they qualified for this supplement. These figures certainly do not provide for luxury living today, but they should much improve the present situation and guarantee our senior citizens a minimum level of dignity in their retirement years.

One nice thing about recommending a program of this type is that it is not a program where we are going to have constantly increasing costs since, over the next eight years, as the Canada and Quebec pension plans come to full maturity the requirement for the guaranteed income supplement may well be eliminated for a large percentage of our retirees.

If this line of thought seems reasonable, Mr. Speaker, and we also discontinued the payment for the second child, when there were only two children in the family, we would realize an additional $75 million. This would mean that in families which had only one or two children there would not be any family allowance paid. But all families which had three children or more would receive payment for all children but the first. Having found the funds, I would like to suggest a method whereby we could now dispose of them.

The fifth annual review of the Economic Council of Canada laid great emphasis on the fact that in Canada's second century the main basis for economic prosperity would be the maximum educational development of our people.

I believe there is one group of young men and young women in our society against whom our government-assisted universities unintentionally discriminate. Maybe this is an unhappy choice of words—I do not mean that they actually discriminate against them but, because of the physical location of our universities, the potential students who live beyond commuting distance from these universities have a far greater financial burden to bear in attending university than do the

potential students who live in or near university towns or cities. I would like to suggest, Mr. Speaker, that we should have some system whereby these potential students who live beyond commuting distance are given a subsistance allowance if they are qualified and wish to attend university. Canada has a total population of approximately 20 million people. Of this figure, roughly 12 million Canadians live within commuting distance of universities. In other words 40 per cent live beyond commuting distance.

Applying these same figures to our present enrolment at universities we find that there would be roughly 100,000 out of a total university population of 250,000 whom we would have to assist. Assuming an average subsistance allowance of $100 per month for the 7½ months at university, this would involve a total annual outlay of $75 million.

I suggest, Mr. Speaker, that if we are genuine in our talk about equality of opportunity this is a mandatory step we should be taking to try to make certain that the young men and the young women who live in Goose Bay, or Peace River, or Owen Sound, are put on an equal footing with the students who live in Toronto, Vancouver, Halifax or Edmonton.

The third area on which I would like to make a few comments, Mr. Speaker, concerns the question of shared cost programs. A great deal of concern has been expressed by hon. members opposite about the unbalanced budget which we are going to have this year. I would like to quote from an editorial in last Tuesday's Montreal *Gazette:*

> The disturbing fact is not that the federal government has unbalanced its own budget; it has had its budget unbalanced for it.
>
> The main trouble has come from the shared-cost agreements it made with the provinces in such fields as hospital insurance and post-secondary education. These agreements were not for fixed amounts, such as would have made budgetary prediction possible. They were open-ended, with Ottawa paying a percentage of whatever the provinces spent. This has meant that the federal government has had to meet costs over which it had no direct control. It signed something not unlike blank cheques.

• (9:30 p.m.)

The whole system of shared cost programs violates a basic concept in a democratic system, which is that the government responsible for spending funds should also be the government responsible for raising these funds. This is how the elected representatives are made accountable to their electors and how, to a large degree, their electors measure their performance. It seems to me, Mr. Speaker, that this whole business of shared cost programs flies right in the face of this fundamental democratic principle and I think we should be doing our utmost to eliminate the shared cost programs in which we are presently participating. Mr. Speaker, I realize that this principle cannot operate to its theoretical perfection in a federal system such as ours where we have accepted the idea of striving to achieve equality amongst various regions. Because of this, the federal government must raise funds from the more prosperous regions and give them as grants to the less prosperous regions.

It is also argued that in order to maintain an adequate degree of control over fiscal policies it is necessary for the central government to raise a significant portion of the tax dollars so that the economy can, to some extent, be stimulated or cooled off. However, even if the federal government were to opt out of the shared cost programs, and turn over a certain number of equalized tax points to the provinces, it would still maintain and control approximately 80 per cent of its present tax levying and spending capacity. Therefore I would suggest the basic premise still applies. The government which is spending the money should be the government which is responsible to its electors for raising the money.

Prior to being elected to parliament I was a member of the board of education in my riding. Even there, Mr. Speaker, I discovered that the great concern, understandably, of the elected representatives was for the dollars for which they were directly accountable to their electors. The money that came from the other levels of governments, primarily in that case from the provincial governments, and to a very minor degree from the federal government, was "found money" from an unending horn of plenty. In our calculations, these funds did not concern us at all—we just calculated, assumed they were there and went on to worry and fuss about the dollars we had to raise from our own municipality, and the impact these would have on the mill rate. I was encouraged, Mr. Speaker, to note that the Prime Minister (Mr. Trudeau), the Minister of Finance (Mr. Benson), and the Minister of National Health and Welfare (Mr. Munro) have in the past few days made comments supporting this point of view.

A couple of days ago the hon. member for Grenville-Carleton (Mr. Blair) made reference to the final report of the joint committee of the Senate and House of Commons studying the public service of Canada which was made

on May 8, 1967. He gave his wholehearted support to its proposal that we should be increasing the pensions paid to our retired civil servants. I would like to add my strong support to his plea. My reasoning here, Mr. Speaker, is precisely the same as it was when I earlier recommended the doubling of the guaranteed income supplement. Our retired citizens worked diligently during their more active years, when economic circumstances were far less attractive than they are today, to build the prosperous society which we all now enjoy. The least we can do now is make certain that these retired Canadians are able to participate fully in the society which they did so much to create.

My final area of comment concerns our athletic endeavours. In the last few weeks all of us have watched with great interest the efforts of our own and other athletes at the Olympics. We are proud of the achievement of our medal winners, but all of us, Mr. Speaker, have a feeling of malaise. We should have done better. Many countries far less well off than ourselves and far smaller in population, such as Czechoslovakia and Kenya, were far more successful. We know that our young athletes are dedicated and competent young people and I think all of us subconsciously feel that we have to dig deeper into the situation to find where we went wrong. Our training facilities are inadequate, we do not possess sufficiently qualified trainers and possibly our athletes did not train hard enough. There are many reasons for our lack of greater success, Mr. Speaker, but it seems to me one area where we could be doing something which would encourage more support of amateur athletics is the relatively minor one of tax relief.

It is my understanding that the encouragement of a particular sport is not considered charitable within the meaning of the Income Tax Act. In my riding we have a vigorous amateur hockey organization and swim club. These groups are faced with fairly substantial on-going expenses for equipment, ice rental, transportation and the many other commitments which are incurred in keeping activities such as these going. We have all watched with admiration the outstanding performance of the United States in the swimming events. If our young swimmers are going to develop competitively they must get over the border and compete against these young American athletes. There are many interested citizens who are willing to give generously of their time and funds to assist these efforts. I believe the least we can do is to grant tax relief on the funds which they donate for the support of athletics. I have suggested to some of my friends in these groups that they organize themselves into bodies called "ice worshippers" or "water worshippers", and that part of their religious observances would be to stand around the rink or swimming pool watching their children participate. At least they might then be able to qualify for charitable exemption as a religious organization.

It is absolutely ridiculous that we should decry the lack of athletic achievement when we are not even prepared to permit the people who are willing and eager to support athletic endeavours to deduct their contributions for tax purposes. I urge that the appropriate section of the Income Tax Act be altered as quickly as possible to make such contributions eligible for deduction from taxable income.

Mr. William Skoreyko (Edmonton East): Time this evening being limited, I intend to cover only a few points which I think should be dealt with. First of all, I wish to take the opportunity to commend some of the new members of this house who in my opinion have contributed some of the finest speeches we have heard in a long time.

Some hon. Members: Hear, hear.

Mr. Skoreyko: I do not wish to put a list of names on record, but I do wish to commend the hon. member for Coast Chilcotin (Mr. St. Pierre) who spoke yesterday evening in this chamber.

Some hon. Members: Hear, hear.

Mr. Skoreyko: That man had a great deal of courage, in my opinion. Some of his remarks were indeed constructive. They were critical of the government as they were critical of other areas of the administration, and I commend the hon. gentleman for what he said in this house.

Talking about constructive speeches, it amused me this afternoon to listen to the hon. member for Three Rivers.

Mr. Mongrain: On a point of order, Mr. Speaker. I should like to remind the hon. member that there is no city in my province which is called Three Rivers. In the English version of its incorporation it is called Trois-Rivières.

The Budget—Mr. Skoreyko

• (9:40 p.m.)

Mr. Skoreyko: Be that as it may, Mr Speaker, at least I was able to identify the hon. member who so eloquently talked about credibility—credibility of the opposition as he said. I wonder if I might be permitted to remind him of a credibility gap in a political party this summer. May I remind him one of the greatest hoaxes ever perpetrated on the Canadian people was engineered this summer on June 25 last. They said nothing to the Canadian people; they promised nothing. In my riding all I heard was "Go Trudeau, go Shewchuk", who was my opponent. This went on all across the country; but indeed when I go back to my riding now I find that an awful lot of people wish he had gone.

I have only two or three minutes left tonight to talk about the budget, Mr. Speaker. I cannot even begin to criticize it and do an adequate job in that time, and so I hope I have another opportunity to participate in this debate. I want to ask the Minister of Finance how he can justify a 2 per cent increase in personal income tax with a limit of $120? I suggest to him—and he is an accountant—that if he did a little mathematics on his own he could have achieved and indeed exceeded the goal he tried to achieve by charging everybody on earned income, every taxpayer and every wage earner in Canada, one quarter of 1 per cent on total earnings. He would get a lot more money if he had done so. In fact he would have more money than he needed.

I do not understand what justification there is in his concept of fairness or of a just society, when he taxes people who cannot afford to pay 2 per cent on earned income, and at the same time sets a limit of $120. This is something that he thinks fits into this new just society, but it is something that I as a Conservative think is not just. This spring the government promised the Canadian people that it was going to balance the budget in the fall of 1968. To come up with a budget like this is to me tantamount to outright, blatant dishonesty.

I happen to come from the west, Mr. Speaker, where considerable oil development has taken place. I think the minister should take another look at the depletion allowance factor in his budget. Has he realized what the depletion allowance, or the refusal to recognize the depletion allowance against write-offs before the costs of production are completely written off—

[Mr. Mongrain.]

The Acting Speaker (Mr. Béchard): Order. It being 9.45 o'clock p.m. it is my duty, pursuant to section (5) of standing order 58 to interrupt these proceedings and forthwith put the question on any amendment before the house.

The house divided on the amendment (Mr. Lambert, Edmonton West), which was negatived on the following division:

YEAS

Messrs:

Alexander
Baldwin
Beaudoin
Bell
Bigg
Broadbent
Burton
Caouette
Carter
Coates
Code
Comeau
Crouse
Dinsdale
Dionne
Downey
Dumont
Fairweather
Flemming
Forrestall
Fortin
Gauthier
Gilbert
Gleave
Godin
Grills
Hales
Harkness
Hees
Horner
Howard (Skeena)
Howe
Knowles (Norfolk-Haldimand)
Knowles (Winnipeg North Centre)
Korchinski
Lambert (Edmonton West)
Laprise
La Salle
Latulippe
Lewis
Lundrigan
MacDonald (Egmont)
MacEwan
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.) (Vancouver-Kingsway)
MacLean
MacRae
McCleave
McCutcheon
McIntosh
McKinley
McQuaid
Marshall
Matte
Mazankowski
Monteith
Moore (Wetaskiwin)
Moores (Bonavista-Trinity-Conception)
Muir (Cape Breton-The Sydneys)
Muir (Lisgar)
Nesbitt
Nielsen
Noble
Orlikow
Paproski
Peddle
Peters
Ricard
Ritchie
Rodrigue
Rondeau
Rose
Schreyer
Schumacher
Simpson
Skoreyko
Stanfield
Tétrault
Thomas (Moncton)
Thompson (Red Deer)
Thomson (Battleford-Kindersley)
Valade
Winch
Woolliams
Yewchuk—85.

NAYS

Messrs:

Allmand
Anderson
Andras
Basford
Béchard
Beer
Benson
Blair
Blouin
Borrie
Boulanger
Breau
Brown
Buchanan
Caccia
Cadieux (Labelle)

Division

Chappell
Chrétien
Clermont
Cobbe
Comtois
Corbin
Côté (Richelieu)
Crossman
Cullen
Danson
Davis
Deachman
Deakon
De Bané
Douglas
Drury
Dubé
Duquet
Durante
Éthier
Forest
Forget
Foster
Gendron
Gillespie
Givens
Goode
Goyer
Gray
Groos
Guay (St. Boniface)
Guilbault
Haidasz
Hogarth
Honey
Hopkins
Howard (Okanagan Boundary)
Hymmen
Isabelle
Jamieson
Jerome
Lachance
Laing
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
Mackasey
McIlraith
McNulty
Mahoney
Major
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Mongrain
Morison
Munro
Murphy
O'Connell
Olson
Orange
Osler
Otto
Ouellet
Pelletier
Penner
Pilon
Portelance
Pringle
Reid
Richard
Richardson
Roberts
Robinson
Rochon
Rock
Serré
Smerchanski
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stanbury
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Thomas (Maisonneuve)
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Wahn
Watson
Weatherhead
Whelan
Whiting
Yanakis—120.

• (10:10 p.m.)

Mr. Speaker: I declare the amendment lost.

This house stands adjourned until 11 o'clock tomorrow morning.

It being fourteen minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Friday, November 8, 1968

The house met at 11 a.m.

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the house that a message has been received from the Senate informing this house that the Senate have passed the following bills without any amendment: Bill C-111, an act to amend the Farm Improvement Loans Act; Bill C-113, an act to amend the Prairie Grain Advance Payments Act.

REMEMBRANCE DAY

ANNIVERSARY OF CONCLUSION OF FIRST WORLD WAR

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, before this house meets again the world will have marked the fiftieth anniversary of the conclusion of world war I, the war intended to end all wars. It is therefore appropriate, I suggest, that we pause a moment this morning to reflect on the sacrifices made by Canadians in that holocaust, and reflect as well on the minute distance which man has advanced in the past half century toward the goal of a warless world.

[*Translation*]

Monday next will be dedicated to the mémory of the sacrifices and the assistance offered generously by Canadians during the war of 1914-1918 and other conflicts in which we have participated since then. Let us not forget, however, that this contribution also provides a lesson: that war is a poor solution and that it proves mainly the refusal of peoples to solve their conflicts with their intelligence. And let us not forget that war, in this atomic age, constitutes in the words of Albert Schweitzer "the height of absurdity".

[*English*]

When on Monday we pause in silent tribute to those who fell and those who served in the first world war I suggest, Mr. Speaker, we should remember that among them were members of the parliament of Canada. Their sacrifice will not be in vain if we here accept their challenge and strive to avoid the need for further sacrifices in the name of war.

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I am sure all Canadians will join with the Prime Minister in the tribute he has paid today on the occasion of the fiftieth anniversary of the ending of the first world war. I think perhaps my deskmate the right hon. member for Prince Albert (Mr. Diefenbaker) is the only veteran of that conflict who is still serving in this house.

Some hon. Members: Hear, hear.

• (11:10 a.m.)

Mr. MacLean: I am sure all veterans will appreciate the recognition the Prime Minister has given today to their contribution, and to the contribution of those of their comrades who are not here to acknowledge that recognition on their own behalf.

While Remembrance day originally was set aside to honour the memory of those who fought and especially those who fell during the first world war, it equally commemorates those Canadians who made the supreme sacrifice for their country in the second world war and in the Korean conflict.

The Prime Minister in his statement has referred to the futility of war as a means to resolving disputes. Certainly in recent months we have been reminded that to resort to force is not a thing of the past but is still with us. In this imperfect world the choice men face is not always, or even very often, between good and evil but rather is a choice between two evils. The wars of this century in which Canadians and men of other countries gave their lives for freedom may be regarded by some as futile, but we owe even the imperfect order and peace we have today to their sacrifice. Their sacrifice at the very least gave mankind a further chance to seek the rational solution to which the Prime Minister referred.

In these days, when many Canadians are rightly concerned about the unity of our country, it is well to remind ourselves of those who gave their lives for its survival. I speak for Her Majesty's loyal opposition in seconding the remarks of the Prime Minister, and I am sure I can also presume to speak for the veterans of two world wars and of the Korean war in acknowledging the recognition paid to them this morning by the Prime Minister.

Remembrance Day

Mr. David Lewis (York South): Mr. Speaker, obviously no one can say enough about the bravery and sacrifices of Canadian men and women in the first world war which ended 50 years ago, and their sacrifices in the war which ended 23 years ago. Our tribute to them is deep and humble.

I want to suggest that it is not enough merely to recognize that war is the ultimate in folly. If I may make a personal reference, I was five years old when the first world war broke out. I was living in a little village in eastern Europe. During that war it was sufficient for my family and others to avoid the consequences of the fighting by hiding in a cellar. That was no longer sufficient in the second world holocaust, and if another war should come there will be no place which will be safe for any human being.

I suggest that when we as parliamentarians pay heartfelt deep tribute for the sacrifice of the men and women in the wars of this century which enables us to continue to live in democratic freedom, we as parliamentarians should remember that war is not something that happens; war is the result of imperfect political action, and of the failure of political leaders. The first world war was the result of political and economic rivalry. The second was a result of the failure of the world to understand the dangers of nazism and the fact that Hitler received support from high places in many parts of the world.

I urge, Mr. Speaker, that as we pay tribute to our dead in the world wars of this century we look carefully at the political international situation today, in which we have pursued policies which may well lead not merely to another war but to the total destruction of humanity.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I thank the right hon. Prime Minister for having sent me, this morning, a copy of the statement he has just made. However, I regret one thing: that I received an English copy while I should have preferred a copy of the French version.

In any event, I echo the words of the right hon. Prime Minister to the effect that wars have never solved anything and constitute "The height of absurdity". If only peoples and their leaders could convince themselves of this. Let us pay tribute to all those Canadians who sacrificed themselves for their country and let us hope that wars will forever be banished by all the peoples of the world. The atomic age can destroy the universe or enable it to grow and prosper. Everyone wants peace, and it is our duty, as responsible parliamentarians, to achieve a just and lasting peace, within our country as well as abroad.

Mr. Gérard Laniel (Beauharnois): Mr. Speaker, I rise on a question of privilege merely to point out that the hon. member for Malpeque (Mr. MacLean) forgot to mention that the hon. member for Fort William (Mr. Badanai) is also a veteran of the first world war and that he is now representing the parliament of Canada at the ceremonies taking place in Mons, Belgium, to commemorate the 50th anniversary of the first world war.

[*English*]

Mr. MacLean: Mr. Speaker, I am greatly indebted to the hon. member for bringing this to the attention of the house, and I very much regret the oversight.

BUSINESS OF THE HOUSE

SUSPENSION OF PRIVATE MEMBERS' HOUR THIS DAY

Hon. Donald S. Macdonald (Rosedale): Mr. Speaker, because of the continued interest of hon. members in the budget debate, and in view of the fact that but for another arrangement we would have a private members' hour this day from five o'clock to six o'clock, I wonder whether there might be a general disposition in the house to waive the private members' hour today. Perhaps the house might be agreeable to an order to that effect at this time.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

EXTERNAL AID

NIGERIA—PROVISION OF CARIBOU AIRCRAFT FOR RELIEF FLIGHTS

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I stated in the house on Monday of this week that one of the subjects which Professor Head had discussed with General Gowon was the most effective form of assistance which Canada might offer Nigeria respecting the distribution of relief supplies in federal territory. I said these discussions were being pursued on an official level and that I hoped to make a further statement shortly.

I wish to say today that we have now concluded an agreement to make two Canadian Caribou aircraft available through the Canadian Red Cross to the Nigerian Red Cross for the distribution of relief supplies in federal territory. Because of the short range of the Caribou and navigational problems encountered in ferrying them the great distance involved, this operation is a complicated one, and I am informed they cannot be on the ground in Lagos for some 14 days.

It is the intention of the government to recall the Hercules aircraft now at Lagos which has been unable to operate because of the poor condition of the forward airstrips, a condition which will not hinder the operation of the lighter Caribou aircraft.

PUBLIC SERVICE

CONSIDERATION OF COMMITTEE REPORT RESPECTING PENSIONS OF SUPERANNUATED CIVIL SERVANTS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise under the provisions of standing order 42 to ask the house to agree to a motion to take care of a technical point. Perhaps I might read standing order 42, which is as follows:

A motion may, in case of urgent and pressing necessity previously explained by the mover, be made by unanimous consent of the house without notice having been given under standing order 41.

• (11:20 a.m.)

Because my motion relates to the technicality of making it possible to deal in this session of parliament with a report presented in a previous session, indeed in a previous parliament, may I draw the attention of Your Honour and the house to citation 320, subparagraph 3, of Beauchesne's fourth edition, which reads as follows:

As to the report of a committee presented during a previous session, motion must first be made that it be considered during the current session, and, if such a motion is carried, the house may appoint a day for consideration of the report.

I should also like to draw Your Honour's attention to a Speaker's decision on this point which is to be found on page 694 of Beauchesne's third edition, which was a decision given on March 3, 1938, that it was in order to move a motion for the house at its current session to deal with a report that had been presented in an earlier session.

Yesterday the Minister of Finance (Mr. Benson) suggested that there was a technical problem in dealing in this session with the report of the special joint committee on the public service of Canada which had to do with the pensions of retired civil servants and which was presented to the House of Commons on May 8, 1967. I therefore ask the consent of the house to move a purely procedural motion. It is not my intention to debate it. It seeks consideration at a later time in the session, and the question of when that will be done can be negotiated. But it would seem to me that all members of the house would be willing to take care of this technicality so that some time during this session we could deal with the ninth report of the special joint committee which was made on May 8, 1967.

I may say that my leader, the hon. member for York South (Mr. Lewis), is of course prepared to second this motion, but he would be quite happy to give way if the hon. member for Ottawa East (Mr. Richard) or the hon. member for Grenville-Carleton (Mr. Blair) would like to be associated with it. Therefore I ask leave to move:

That the ninth report of the special joint committee of the Senate and the House of Commons on the public service of Canada, presented to the House of Commons on May 8, 1967, be considered by this house during the present session of parliament.

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I would take issue with the hon. member for Winnipeg North Centre that there have not been and will not be opportunities to deal with this report during the current session. There are, in fact, opportunities to deal with it at the present time under the budget debate. Therefore I would indicate there would not be unanimous consent this morning.

Mr. Diefenbaker: How kind you are to the retired civil servants.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, on a question of privilege may I be permitted to ask the President of the Privy Council whether he understands the situation. Is he not aware that yesterday the Minister of Finance said there was a technical difficulty in concurring in this session in a report that was presented in a previous session? This motion does not seek that concurrence; we cannot do both things in one step. My motion merely asks that we cover the point raised yesterday by the Minister of Finance, and that we make sure that we have the right to consider in this session a report that was presented in a previous session. In other words I am seeking to overcome the technical difficulty raised by the Minister of Finance,

and I urge the President of the Privy Council not to press his objection.

Mr. Macdonald (Rosedale): Mr. Speaker, I do not think it is really a question of there being any technical difficulty in the way of the hon. member for Winnipeg North Centre dealing with this question, because obviously there are plenty of opportunities for doing so. I do not concur in his suggestion that we follow this procedure.

Mr. Baldwin: Mr. Speaker, on a point of order—

Mr. Speaker: Order, please. I ask whether hon. members realize that under standing order 42, as has been pointed out by the hon. member for Winnipeg North Centre, we require unanimous consent. As there is not unanimity at the moment, we cannot proceed further and there should be no debate on the question.

PRIVILEGE

MR. DIEFENBAKER—INCOMPLETE REPLY TO MOTION FOR PAPERS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I rise on a question of privilege. I dislike doing so, but the recent trend in the answering of questions by the government with a cavalier disregard of the rights of parliament demands that I refer to the return which was brought in the other day to question No. 174 (a) in connection with the Company of Young Canadians.

I asked therein for the names, addresses and amounts paid to each of the recipients of such payments. Several pages of information were given on the amounts and the names of the individuals, but strangely enough the addresses were not given, only the names of the cities, towns or villages where these particular recipients live. When it is realized that according to the return some $30,000 was paid to chartered accountants to examine the accounts of the Young Canadians, it is obvious that it is an imperative necessity that the addresses be given, otherwise this is simply a hodgepodge of names, and it would take an eternity to find out whether these people in fact received the amounts which they allegedly received, and I have no information in that connection.

We are entitled to addresses of recipients. The motion was passed by the house, and to provide a document like this with a list of names of recipients, giving cities and towns without giving the addresses is a flagrant abuse of the rights of the house.

[Mr. Knowles (Winnipeg North Centre).]

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I do not accept the rather colourful language of the hon. gentleman in referring to this matter. Every effort is made to provide the information requested. If the addresses are available they will certainly be provided. I would be prepared to inquire from my colleague the Secretary of State to see whether he can provide the information. But obviously if the information is not available or not available in any systematic form, then it cannot be provided.

Mr. Diefenbaker: Mr. Speaker, may I say in answer to the hon. gentleman that I am sure the addresses must have been available; otherwise the cheques in payment could not have been sent to the recipients.

Mr. Macdonald (Rosedale): Perhaps the hon. member should bear in mind the nature of the operations of some of these young volunteers, and the fact that in many of the communities they worked on a transient basis. All I can say is that perhaps the addresses are available. I am prepared to make inquiries, but I do not accept the hon. gentleman's epithets.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a question—

Mr. Speaker: Order, please. May I point out that we are not in the question period at this time. I understand the hon. member wishes to ask a supplementary question concerning the matter raised by the right hon. member for Prince Albert. However, I understand from the President of the Privy Council that he is making inquiries to give effect to the request made by the right hon. member for Prince Albert. Perhaps the matter should be allowed to rest there.

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I rise on a question of privilege following the question of privilege put by the right hon. member for Prince Albert. I should like to ask the President of the Privy Council if he would consult the Minister of National Revenue.

UNITED NATIONS

CANADIAN POSITION AS TO ADMISSION OF RED CHINA

On the orders of the day:

Mr. R. Gordon L. Fairweather (Fundy-Royal): I have a question for the Prime Minister. Was Canada one of the 15 member states of the United Nations which sought acceptance

of the credentials of the People's Republic of China rather than the nationalist government of China as a member of the security council yesterday?

Right Hon. P.-E. Trudeau (Prime Minister): I would have to take that question as notice. I am not quite sure I understood. Was Canada one of the nations which—?

Mr. Fairweather: I am not trilingual, but I will try again. Was Canada one of the 15 states of the United Nations which sought acceptance of the credentials of the People's Republic of China rather than the nationalist Chinese government as a member of the security council?

Mr. Trudeau: I cannot answer that, Mr. Speaker, but I can inquire. I can also tell the hon. member that our position on the admission of the People's Republic of China to the United Nations has not changed. We are pursuing our studies toward seeking a way in which we might establish relations with the government of Peking, and until I have reported to the house on that we do not contemplate changing our position in the United Nations.

Mr. W. B. Nesbitt (Oxford): A supplementary question, Mr. Speaker. Is it the intention of the government to abstain from voting on the acceptance of the credentials of the People's Republic of China in the United Nations or to vote against acceptance of those credentials?

Mr. Trudeau: Well, Mr. Speaker, on the general resolution which comes before the United Nations we will take the usual position of abstaining. This, I believe, is what is called the Albanian resolution which links the admission of the People's Republic of China with the exclusion of Taiwan in ways which we do not approve at this stage. There are other resolutions on which we will take a position which will indicate we are not hostile toward seeking a solution whereby eventually the People's Republic of China can be admitted to the United Nations. Our concern is that the government of Taiwan not be disregarded in the process.

Mr. Ed Schreyer (Selkirk): I have a question, Mr. Speaker, which is actually a related question. I should like to ask the Minister of Agriculture if it is true that wheat board delegates are present today in Canton, China.

Mr. Speaker: Order, please. The hon. member for Egmont.

Mr. David MacDonald (Egmont): Since the Prime Minister is enunciating government policy with regard to mainland China, will he say whether definite contacts have been made with that government with regard to their recognition in the United Nations and our own diplomatic relationship with them?

Mr. Trudeau: This question of whether we should or could establish diplomatic relations with Peking is a complex and difficult one. I would rather not report on the various stages of progress or lack of progress until a more definite stage has been reached by the government.

Right Hon. J. G. Diefenbaker (Prince Albert): The Prime Minister has given a rather clear statement today regarding the attitude of the government in this connection. I should like to ask him whether it is the intention of the government, providing it gives recognition to communist China, to assure that the nationalist government of Taiwan shall continue to be a member of the United Nations and shall be protected against any aggressive action on the part of the communist régime of Peking.

Mr. Trudeau: As I said in my previous answer, Mr. Speaker, we do want to take into account the fact that there is a separate government in Taiwan, one with which we have enjoyed good relations in the past. The procedure which will be followed in the United Nations is, of course, one which can only be determined by a majority of the members there. It is our intention, as I indicated earlier, to further our study to establish relations with Peking. I can only report the outcome of that at a later stage. Of course our conduct in the United Nations will be dependent on the progress of our bilateral endeavours.

Mr. Diefenbaker: Will the Prime Minister answer one question that he did not answer? Will any action be predicated upon preserving the nationalist government of Taiwan, which has stood for freedom throughout the years, to assure that it shall not be placed in jeopardy as a result of action taken by the government of Canada?

Mr. Trudeau: I should say that the intentions of the Canadian government toward the government of Taiwan are in no sense hostile; they are friendly.

[*Later:*]

Mr. Nesbitt: Mr. Speaker, I have a question for the Prime Minister. In view of his observations a few moments ago in regard to the

good relations enjoyed between Canada and the government of Taiwan, is it now the intention of the government to set up some form of diplomatic representation in Taiwan?

Mr. Trudeau: We do have diplomatic representation with the government in Taiwan, Mr. Speaker.

Some hon. Members: Oh, oh.

Mr. Forrestall: Why don't you brush up and find out what is going on in the world?

Mr. Speaker: Order, please.

PUBLIC SERVICE

INQUIRY AS TO PROTESTS RESPECTING RECLASSIFICATION

On the orders of the day:

Mr. David Lewis (York South): If I may change the subject, Mr. Speaker, I should like to direct a question to the President of the Treasury Board. Has he received protests from the various public service organizations over the continuation of the widespread reclassification of public servants, resulting in the red circling of thousands of positions which deprives the holders of those positions of increases which have been negotiated? If he has received such protests, what are the intentions of the government with regard to the continuation of this practice?

Hon. C. M. Drury (President of the Treasury Board): I think the house is aware, Mr. Speaker, that this process of reclassification has been going on for almost three years now. It has resulted in a great many changes in a very complex system and is now largely completed. It would be a mistake at this juncture, I think, to try to reverse the process. I can assure the hon. gentleman that sympathetic consideration is being given to the difficulties, the anachronisms and in some cases the injustices which arise in this process.

Mr. Lewis: A supplementary question, Mr. Speaker. In view of the fact that this continuing reclassification has eaten into the bargaining units which have been established by the public service staff relations board, and in view of the fact that the result is in conflict with decisions made in negotiations for a collective agreement, will Treasury Board reconsider the application of red circling to employees covered by collective agreements and since red circled?

Mr. Drury: I am not quite sure of the significance of the hon. gentleman's question. Red circling and the transfer from one bargaining unit to another as a consequence of reclassification I do not think are necessarily connected. I will try to make inquiries so that I understand better what the hon. gentleman is driving at.

[*Translation*]

NATIONAL DEFENCE

EFFECTIVENESS OF NORTH AMERICAN RADAR DEFENCE

On the orders of the day:

Mr. Bernard Dumont (Frontenac): Mr. Speaker, it was my intention yesterday to direct a question to the Minister of National Defence, but as the schedule of attendance showed that he would be absent, I put it aside until taday. Now, I note that the minister is probably attending to very important matters, so I will have to direct my question to the right hon. Prime Minister. I also wonder whether it would not be appropriate to rectify the attendance roster of ministers, as it seems we cannot rely on it.

My question relates to a photograph of a soviet bomb in orbit, taken by the Cold Lake observation centre. Can the minister assure the house that the North American radar defence system is still efficient?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, following the remarks made by the hon. member, I must point out to him that the Minister of National Defence was not scheduled to be in the house yesterday or today, but that he will be here next week.

Mr. Dumont: Mr. Speaker, according to our information, the minister was supposed to be here this morning.

Mr. Speaker: Order. Does the hon. member wish to ask a question?

Mr. Dumont: Yes, Mr. Speaker.

Is the government not afraid that bombs coming from the south might not be detected by our long radar network in the north?

Mr. Trudeau: The list is not up to date.

[*English*]

FINANCE

BRITISH COLUMBIA—REQUEST FOR STATEMENT ON COMMONWEALTH COMPANY GROUP

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is to the Minister of Finance. Would the minister please inquire into and then make a statement to the house on the financial operations of the Commonwealth group of companies in British Columbia, and the possible loss by certificate holders and other investors in this particular group?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I have already made inquiries in this connection. The Commonwealth Trust Company in Vancouver is not, I believe, subject to the receiving order. The Commonwealth Trust Company is covered by the C.D.I.C., so its depositors are quite safe. The other companies involved are provincially incorporated companies that are not covered by the C.D.I.C. I have asked for further information as to what is happening in this regard, though I might mention that it is not the responsibility of the federal government.

Mr. Lambert (Edmonton West): A supplementary question, Mr. Speaker. While admitting that particular aspect of the matter, I wonder whether, in the light of reports that investigations may have originated in February and May 1968, the minister would advise the house if the Superintendent of Insurance acted under his authority under the deposit insurance act and carried out investigations in the interval.

Mr. Benson: Mr. Speaker, my understanding is that the insurance department has been looking at this particular matter. As a matter of fact the superintendent reported to me, at the time the receiving order was issued in connection with the other companies, that the company in which we had an interest since it is insured by the C.D.I.C. was not involved.

Incidentally, Mr. Speaker, perhaps I should take this opportunity to point out that the Commonwealth Trust Company in Vancouver is not related to companies in other parts of Canada operating under the same name. I say that just so there will not be any misunderstanding.

Mr. Lambert (Edmonton West): A further supplementary question. The minister has referred to the receiving order. Was this the receiving order that was passed at the same time the order in council was passed, either in February or May, or was it passed during the last few days?

Mr. Benson: This was a recent action, Mr. Speaker, taken in British Columbia. A receiving order was issued against a group of companies related to the Commonwealth Trust Company. No receiving order was issued against Commonwealth Trust, the company in which we had a prime interest, because its depositors are insured under C.D.I.C.

Mr. Erik Nielsen (Yukon): A supplementary question, Mr. Speaker. In the absence of the Solicitor General perhaps the Minister of Finance could inform the house whether the regional office of the bankruptcy division in Vancouver is inquiring into this matter.

Mr. Benson: Mr. Speaker, I really am not informed as to this matter, but I will take it up with my colleague and answer later.

COMMONWEALTH RELATIONS

REPORTED STATEMENTS RESPECTING CANADIAN IMMIGRATION POLICY

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I should like to direct a question to the Prime Minister. It arises from a statement made at the current Commonwealth Parliamentary Association conference to the effect that Canada's immigration policy is wicked and disgraceful and that Canadians accept only skilled and talented immigrants and practise colour discrimination.

Could the Prime Minister say whether the government has forwarded any instructions to the leader of the Canadian delegation at the conference to assure the conference that Canada will not allow such a policy as described by the attorney general of Jamaica? If the government has not sent any instructions to the head of our delegation, Mr. Speaker, is it intending to do so?

Right Hon. P.-E. Trudeau (Prime Minister): I will make inquiries, Mr. Speaker.

Hon. W. G. Dinsdale (Brandon-Souris): A supplementary question, Mr. Speaker. In light of the statement made at the Commonwealth conference would the government reconsider its plans to remove the reciprocal privileges extended to Commonwealth immigrants, a step that would increase discrimination against immigrants from the West Indies?

Inquiries of the Ministry

Mr. Trudeau: I will make inquiries about that too, Mr. Speaker.

TRADE

WHEAT—INQUIRY AS TO MISSION TO RED CHINA

On the orders of the day:

Mr. John Burton (Regina East): Mr. Speaker, I wish to direct a question to the Minister of Industry, Trade and Commerce, who normally undertakes to be present in the house this day. In his absence I would direct it to the Minister without Portfolio, the hon. member for Saskatoon-Humboldt, who is acting minister of trade and commerce and who also normally undertakes to be present in the house this day. However, in his absence I will direct it to the President of the Treasury Board who is second acting minister of trade and commerce, as shown in *Hansard* for October 21.

Will the minister investigate statements made by the trade commissioner in Hong Kong and wheat board officials that a mission is negotiating a wheat sale to China, in view of statements made by the Minister of Industry, Trade and Commerce and the Minister without Portfolio in this house to the effect that it would not be in the public interest to make comments respecting what negotiations are in progress? When will the house be given access to information about what is happening?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, may I thank the hon. gentleman for his somewhat lengthy recital of the procedures of the house. However, I would draw to his attention that the practice does not provide for ministers to be present but for departments to account for themselves.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

Mr. Drury: In reply to the hon. gentleman's question, Mr. Speaker, the Minister of Industry, Trade and Commerce and the Minister without Portfolio have both said that it would not be in the public interest to disclose negotiations in progress. I think this is still true. Indeed, the published reports do not relate to the conduct or content of the negotiations but merely to the fact that they are in progress and who is participating. I repeat that two commissioners of the wheat board are currently in mainland China conducting such negotiations.

[Mr. Dinsdale.]

Mr. Burton: A supplementary question, Mr. Speaker. Is the President of the Treasury Board aware that some of the inquiries made previously in this house were exactly on the subject referred to by the officials, as stated in my question?

Mr. Speaker: Order, please.

LABOUR CONDITIONS

PROVISION OF SUMMER EMPLOYMENT FOR UNIVERSITY STUDENTS

On the orders of the day:

Mr. Paul Yewchuk (Athabasca): My question is for the Prime Minister, Mr. Speaker. Is the government considering the establishment of a national program for summer employment of university students, as recommended at the meeting of the Association of Universities and Colleges of Canada this week?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I believe this matter would come under the jurisdiction of the Minister of Manpower and Immigration. Perhaps the hon. member would want to ask him.

Mr. Yewchuk: A supplementary question. In view of the prediction by the president of the university and college planning association that Canadian university students face another very bleak employment situation next summer, has the government launched any special studies of the student employment problem?

Mr. Trudeau: The same answer, Mr. Speaker, but even more so.

[*Translation*]

CANADIAN BROADCASTING CORPORATION

QUEBEC—COVERAGE GIVEN TO POLITICAL PARTIES

On the orders of the day:

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to put a question to the Prime Minister.

Can he tell us whether he will invite the C.B.C. to set up a fair policy concerning the use and allotment of broadcasting time to political, non-political or other movements?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, this is a question for the Secretary of State.

[*Later:*]

Mr. Fortin: Mr. Speaker, I rise on a question of privilege. In reply to a question I put to him a while ago concerning the C.B.C., the right hon. Prime Minister said that it came under the Secretary of State. On the other hand, yesterday, as reported on page 2532 of *Hansard*, the Secretary of State said that this matter did not come within his jurisdiction.

I wonder, therefore, who is answerable for this matter and whether we stand a chance of getting a reply?

[*English*]

EXTERNAL AFFAIRS

REPRESENTATIONS RESPECTING ADOPTION OF BIAFRAN ORPHANS

On the orders of the day:

Mr. J. M. Forrestall (Dartmouth-Halifax East): My question is directed to the Prime Minister, Mr. Speaker. I should like to ask, further to questions asked on October 28 and November 5 by the hon. member for Fraser Valley East, if he could indicate to the house whether he has had any correspondence, in particular from associations, regarding orphans in Biafra.

Right Hon. P.-E. Trudeau (Prime Minister): Yes, Mr. Speaker, there has been some correspondence, and I am replying in a general way to the effect that adoption is, of course, a matter under provincial jurisdiction and that we are in no position to infringe upon that jurisdiction but would be prepared, if adoption is arranged through the proper channels, to make space vacant in our aircraft available to anyone who might be adopted in these circumstances.

Mr. David Lewis (York South): The arrival of children from Biafra does not necessarily depend on their being adopted legally under provincial jurisdiction. May I ask the Prime Minister what if anything the government is doing to encourage the bringing of such children to Canada, whether or not they are being legally adopted under provincial laws.

Mr. Trudeau: The government is not doing anything to bring children to Canada. The federal government is not equipped to look after children after they come to Canada. If they came to Canada they would have to be adopted or cared for by institutions or by families under provincial laws. What the government intends doing in this event is to cooperate with provincial authorities or private individuals who may wish to seek our assistance in providing transportation.

Mr. Lewis: I am trying to avoid an argument, but I might say to the Prime Minister briefly that I am drawing his attention to the fact that it is possible—

Mr. Speaker: Order. Would the hon. member ask his question, if he has one?

Mr. Lewis: —for people or organizations to bring children here without adoption. I am asking whether such persons who desire to bring children to Canada and take care of them—and this does not come under any particular jurisdiction—are being given any encouragement by the government.

Mr. Trudeau: I answered the question in the context of adoption because that is how it was asked. If institutions or families want to take care of children from Biafra, and if we can assist in any way through our immigration department we shall do so. But I want to make it clear that the initiative does not lie with the federal government but with the organizations, groups or families which would want to take into their homes, houses or institutions, children from Biafra.

Mr. Lincoln M. Alexander (Hamilton West): Are we to understand that the government is now prepared to relax the immigration laws in order that admittance may be expedited as far as refugees from Biafra are concerned?

Mr. Trudeau: I will take this up with the minister. I am sure that in circumstances where this would be necessary we would consider doing it.

Mr. David MacDonald (Egmont): Can the Prime Minister tell the house whether any contacts have been made with Biafran authorities with regard to the bringing of children or others from that country to this?

Mr. Trudeau: No, Mr. Speaker. We have not had, nor do we intend to have, any contact with the Biafran authorities.

INQUIRIES OF THE MINISTRY

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Lancaster): My question is for the Prime Minister. Will officials of the Department of Public Works and of the National Capital Commission be

acting as technical advisers to a parliamentary caucus being established by Liberal members from eastern Ontario, as announced by the Minister of Justice?

May I ask the question in another way. Would the Prime Minister assure the house that no public servants will be suborned to the use of any private group such as a parliamentary caucus of the kind announced?

Mr. Donald MacInnis (Cape Breton-East Richmond): A supplementary question. It may be easier on the Prime Minister if he would check the statement emanating from the Minister of Justice and then inform the house just who is in charge of patronage in Ottawa.

Some hon. Members: Oh, oh.

Mr. Barry Mather (Surrey): Mr. Speaker, I would like to direct a question to the President of the Privy Council. Having in mind the fact that last week the minister found it impossible to give the house the number of defeated Liberal candidates who had been appointed to the judiciary or to other offices, would he not find it easier to give us the number of defeated Liberal candidates who have not been so appointed?

HOUSE OF COMMONS

REPORTED INTENTION TO ESTABLISH OUTSIDE ADVISORY GROUPS

On the orders of the day:

Mr. J. Edward Broadbent (Oshawa-Whitby): My question is to the Prime Minister. In view of the potentially serious effect on our system of parliamentary government of the right hon. gentleman's decision to establish a series of regional offices and a body of 150 extraparliamentary advisers, would the Prime Minister at an early date make a statement on motions as to the duties and responsibilities of these new groups? More specifically, how would their existence affect the traditional functions of the Prime Minister and members of parliament?

Right Hon. P.-E. Trudeau (Prime Minister): I will inquire into this, Mr. Speaker.

HEALTH AND WELFARE

MEDICARE—FEDERAL PAYMENTS TO PROVINCES OPTING OUT

On the orders of the day:

Mr. Eldon M. Woolliams (Calgary North): I wish to direct a question to the Minister of Finance with reference to the province of Alberta. Has Dr. Rose, Minister of Health, objected to the federal government opting out of the medicare arrangements, and has the provincial government asked that when the federal government does opt out, the amount of money contributed by the federal government should be compensated for by way of equalization payments?

Hon. E. J. Benson (Minister of Finance): I do not think there has been any such direct representation to me at this point.

Mr. Woolliams: Is there any agreement with Alberta that when the federal government does opt out, the amount which was being paid by the federal government would then be assigned to the province of Alberta to help pay for the service?

Mr. Benson: The province of Alberta is not in medicare at the present time; I do not know why the hon. member is talking about getting out. In any case, the general conditions under which we would turn the service over have been made quite clear in the house, I believe. If the hon. member requires further clarification I would be pleased to send him a copy of the statement I made to the federal-provincial meeting in this regard and a copy of the statement to the house of the minister of finance in 1966.

Mr. Woolliams: I appreciate that Alberta is not in the scheme. The question I should like to put is this. Is it not a condition that provided the federal government would take over financial responsibility as agreed, the provinces, including Alberta, would come into the plan? Is Alberta being promised that if the province comes in, when the federal government opts out the amount of the federal contribution would then be assigned to the province?

Mr. Speaker: Order. The hon. member is repeating the question he asked in the first instance. If he is not, I would have to rule that the first supplementary question, asking for an interpretation of a statute, is out of order, and that the second is hypothetical.

Mr. Woolliams: It is not a repetition of what I asked earlier.

Mr. Speaker: I accept the hon. member's statement. Order. Would the hon. member resume his seat? I accept the hon. member's statement that it is not a repetition but I have to rule that the question as asked is not in order.

Mr. Woolliams: May I rephrase the question, then. Is there a suggested agreement with Alberta that if the province of Alberta comes into medicare, when the federal government opts out the amount of money which would be paid by the federal government in reference to the plan would then be assigned to the province of Alberta?

Mr. Benson: There is no agreement with individual provinces, but if the hon. member looks at the medicare legislation and the speech made by the minister of finance when the measure was before the house he will find the general conditions under which, ultimately, we would turn medicare over to the provinces.

It has been made quite clear that we would continue to fulfil the obligation we have to the provinces, first through the transferring of taxation powers, by making up the differential in their cost during a transitional period, and then by means of an ultimate settlement when the provinces take over. So it is quite wrong to say we shall have pulled the rug out from under the provinces, as some have said. There is no intention of doing that. If the hon. member will look at the offer of 17 tax points made in the statement, a copy of which I will send to him, he will see that we are not pulling any rugs out. We want to pay full compensation to the provinces, but we think ultimately it is better for people to administer programs directly rather than having to deal, as it were, with 50 cent dollars. The people who have control over a program should have the taxing power to cover it.

Mr. G. W. Baldwin (Peace River): As a supplementary question arising out of that answer, Mr. Speaker, I would like the minister to say whether the federal government can get away with paying anything less than 50 per cent of the cost of medicare to any one province without having to change the act.

Mr. Benson: Mr. Speaker, we have no intention of paying less than 50 per cent of the cost of medicare to the provinces. I think we have made that quite clear. The ultimate settlement would make clear that we are simply transferring taxing power to the provincial jurisdictions under whose control the programs are so that they can have better control of the programs and yet not lose anything they formally received from the federal government.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I am sure the answer to this question will be very simple. As there are still Canadians who believe there should not be taxation without representation I would ask the government to say whether in respect of the 2 per cent surtax being imposed on the people of a province that does not enter medicare there will be a refund to the taxpayers of that province.

Mr. Benson: Mr. Speaker, I have quite clearly said that this tax has been imposed, along with a great many other taxes in the budget—

An hon. Member: You can say that again.

Mr. Benson: —including the tax on insurance companies and banks and various other charges, in order to meet the financial requirements of the federal government. The social development tax was needed in order to cover the increasing cost of several programs. For example, we are now putting $650 million a year—

Mr. Speaker: Order, please.

Mr. Benson: —into hospitalization.

Mr. Speaker: Order, please. It seems to me that we are now getting into the budget debate, which I understand the house will resume in just a few moments.

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question supplementary to those dealing with medicare to direct to the Minister of Finance. Has the government any plans to bring Canadians living in the Yukon and Northwest Territories into the scheme and, if so, can he assure the house that they will be in the scheme before the federal government gets out of it?

Mr. Benson: Mr. Speaker, it is our hope that all the people of Canada will be taken care of under this scheme, and this of course would include the people of the Northwest and Yukon Territories, whom we consider very valuable citizens of Canada.

Mr. Nielsen: I thank the minister for his kind reference, but can he say when it is the government's intention to bring the citizens of these territories into the scheme?

Mr. Benson: I would have to take up this question with the Minister of National Health and Welfare who looks after the coming into the program of the various parts of Canada. I will raise my hon. friend's question with him and obtain an answer to it.

Inquiries of the Ministry

DRUGS—REPORT BY QUEBEC HEALTH MINISTER

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, in the absence of the various acting ministers of national health and welfare and in order to give the parliamentary secretary something to do may I direct a question to the parliamentary secretary to the Minister of National Health and Welfare. Was the expected report from the minister of health of the province of Quebec relating to drug abuses, which was to have been provided to the recent federal-provincial conference of health ministers, received and, if so, will it be made public or tabled in this house?

Mr. Rosaire Gendron (Parliamentary Secretary to Minister of National Health and Welfare): I will take this question as notice, Mr. Speaker.

VANCOUVER—REPORTED SALES OF SWEDISH ABORTION PILL

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I would like to direct a question to the parliamentary secretary to the Minister of National Health and Welfare. In view of press reports that a Swedish-made abortion pill is now being sold in Vancouver, is the minister investigating this reported illegal traffic?

Mr. Rosaire Gendron (Parliamentary Secretary to Minister of National Health and Welfare): I will also take that question as notice, Mr. Speaker.

[*Translation*]

TRADE

EFFECT OF INCREASED AGRICULTURAL IMPORTS FROM U.S.

On the orders of the day:

Mr. Gilbert Rondeau (Shefford): I should like to put a question to the hon. Minister of Agriculture (Mr. Olson).

In view of the fact that the changes in the tariffs on certain goods exported to the United States have led them in turn to announce larger exports of meat products of all kinds to Canada, can the minister tell us what steps his department is contemplating to cope with the probable economic effects of the American exports?

[Mr. Benson.]

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, if the hon. member would give me specific details of which products he has in mind I would be prepared to give him an answer in regard to those products.

HOUSING

INQUIRY AS TO DEFERMENT OF URBAN RENEWAL PROJECTS

On the orders of the day:

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I wish to direct a question to the Minister without Portfolio. Was the decision to defer urban renewal projects reached after consultation with the provinces and municipalities, or without consultation?

Hon. James Richardson (Minister without Portfolio): Mr. Speaker, I shall be glad to look into that and report later. I do not have the answer at the moment.

UNITED NATIONS

PROPOSED COMMITTEE ON REGULATION OF OCEAN FLOORS

On the orders of the day:

Mr. David MacDonald (Egmont): Mr. Speaker, I wish to direct a question to the Prime Minister. Could he tell the house whether the hon. member for Don Valley, when speaking at the United Nations, was stating government policy when he said that Canada favoured setting up a standing UN committee on the problem of regulation of the ocean floors?

Mr. Speaker: Order, please. I do not think the rules allow the form of question asked by the hon. member.

Mr. MacDonald (Egmont): Perhaps I could rephrase my question, Mr. Speaker. I would like to ask not only whether it is the intention of the government to support a measure setting up a UN committee on the regulation of ocean floors, but whether the government has taken a position with regard to the sovereignty that is involved and whether certain benefits might accrue to the United Nations itself.

Right Hon. P.-E. Trudeau (Prime Minister): The question is under consideration, Mr. Speaker.

PUBLIC SERVICE

CONSIDERATION OF COMMITTEE REPORT RESPECTING PENSIONS OF SUPERANNUATED CIVIL SERVANTS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the President of the Privy Council in his capacity as government house leader. In view of the minister's statement earlier today that there will be opportunities at this session to consider the report of the joint committee that had to do with the pensions of retired civil servants, will he discuss with those of us who are house leaders the arranging of one of those opportunities at an early date?

Hon. Donald S. Macdonald (President of the Privy Council): I would be glad to discuss this, Mr. Speaker, along with the general forward movement of government business.

Mr. G. W. Baldwin (Peace River): As a supplementary question, would the government house leader take note of the fact that if his hard heart would soften this party would be agreeable to give unanimous consent to the request of the hon. member for Winnipeg North Centre?

Mr. Macdonald (Rosedale): Mr. Speaker, I look forward to the same spirit of co-operation from the hon. member's party on all matters.

AIRPORTS

STUDY OF REPORTED SHORTAGE OF HANGAR SPACE

On the orders of the day:

Mr. Ed Schreyer (Selkirk): Mr. Speaker, my question has to do with civil aviation and is directed to the Minister without Portfolio. Is a study under way at the present time or will a study be made soon into the problem of shortage of hangar space at most airports in Canada, particularly at Winnipeg?

Mr. Speaker: Order. I would think this question should be placed on the order paper.

EXTERNAL AFFAIRS

SOUTH VIET NAM—ATTENDANCE AT PARIS PEACE TALKS

On the orders of the day:

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, a couple of days ago I asked a question of the Acting Secretary of State for External

Affairs concerning the giving of encouragement to South Viet Nam to participate in the Paris peace talks. Is he prepared to make a statement at this time?

Hon. C. M. Drury (President of the Treasury Board): Not at this time, Mr. Speaker, but next week.

GRAIN

REPORTED SALES NOT UNDER WHEAT BOARD REGULATIONS

On the orders of the day:

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I direct my question to the Minister of Agriculture in the absence of the Minister of Trade and Commerce. In view of recent reports that grain in large amounts, reportedly as much as 2 million bushels, has been moving illegally and contrary to wheat board regulations across interprovincial boundaries, has the minister taken any action to investigate these allegations or is any action proposed in the near future?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, the wheat board has been looking into this matter and as soon as we get a report from them I will be glad to make a report to the house.

• (12:10 p.m.)

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed, from Thursday, November 7, consideration of the motion of Hon. E. J. Benson (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, there is an old saying, "Would that mine enemy would write a book." I do not consider that the Prime Minister (Mr. Trudeau) is mine enemy because I have rather a strong liking for him—

Some hon. Members: Hear, hear.

Mr. Winch: —except for his politics, and I mean his present politics.

The Prime Minister has either written or collaborated in the writing of a number of books. I desire to refer to one in which he collaborated. I do so because of what we have read and heard about the recent dominion-provincial conferences involving the premiers, the Prime Minister, and other ministers

of the crown. It seems completely obvious, as a result of the presentation made at those conferences by ministers of the federal government, that there has not been a feeling of consultation, co-operation or compromise, with the result that the provincial premiers and ministers have returned to their homes and their legislative halls with strong feelings of disappointment, disillusionment and heartbreak. I think that is fairly obvious. The result is that the first conferences held by this new government and its ministers under the leadership of the new Prime Minister have perhaps done more in the past few days and weeks to destroy any growth and understanding of federalism and national unity than what has occurred over a period of years.

I am interested in this particular phase of the development and appearance of the federal government at these conferences because of the different approach, views and ideology of the present Prime Minister from those he held when he was not a member of this house and did not hold the high office of Prime Minister. I refer to the years 1958-61 when the present Prime Minister, myself, David Lewis, Professor Frank Scott, Professor Michael Oliver of McGill University, Professor Grube of Toronto, Professor Jamieson of the University of British Columbia and Dr. Eugene Forsey, research director of the Canadian Labour Congress, were members of an editorial board charged with the drafting of a book "The Socialist Analysis of the Future of Canada". The book was published in 1961 and was called "Social Purpose For Canada". In this book—and this is marvellously coincidental with the approach of this government at the recent conferences in Ottawa—there is a chapter headed "Practice and Theory of Federalism". The author is Pierre-Elliott Trudeau.

I think the house would be most interested in the views and the ideology of the federalism that is Canada in the written word and in the government's attitude and actions in doing everything possible to break real federalism by means of the presentation of a *fait accompli* to the provincial premiers and their other ministers just a few days ago. I believe *Hansard* should have on record what the present Prime Minister wrote when he was jointly responsible with these other socialists for preparing a work on what is required for national unity and federalism in Canada. Just in case some hon. members might think I would take quotations out of context I will give the page numbers so that they will be able to find them. They are indeed interesting, Mr. Speaker. As found on page 381, Pierre-Elliott Trudeau said:

> From the foregoing analysis of the B.N.A. Act it is obvious that intergovernmental co-operation is not only possible but that it is in many ways constitutionally indispensable.

At page 385 we find these words:

> And since the future of Canadian federalism lies clearly in the direction of co-operation, the wise socialist will turn his thoughts in that direction, keeping in mind the importance of establishing buffer zones of joint sovereignty and co-operative zones of joint administration between the two levels of government.

Again, at page 389:

> Consequently the economic aspects of socialist theory might be a guide towards a more efficient distribution of powers under the constitution.

At page 389 we find the following:

> Consequently, in such matters—

Oh, this is a honey when we recall the meetings of these past few days and the government's presentation of hard of heart *fait accompli*—"This is it; take it or lump it."

> —there is no reason to presume that the federal government will be more enlightened than the sum of the provincial governments, or even than one provincial government acting alone.

This most important view of Pierre-Elliott Trudeau was completely negated when ministers of the government of which he is Prime Minister met with the provinces a few days ago. I should like to refer to one more quotation which appears at page 392:

> The basis of a socialist critique is to state clearly what the provincial governments can do and fail to do, and what the federal government can do and does not do, each within its respective jurisdiction.

• (12:20 p.m.)

We are being forced, in view of the policies and attitudes of this present government and in view of the budget now before us, to place on the record not what the Prime Minister of Canada has said but what Pierre-Elliott Trudeau has put down in writing about the basic fundamentals required for co-operative federalism and Canadian unity. There can be no doubt that a *fait accompli* was presented to the provinces.

We have had provincial conferences in the past and undoubtedly we will have more in the future. Let me say that as useful and as necessary as these conferences are, no matter how many are held they will not resolve the basic problems, difficulties and differences which exist in respect of the provincial and

federal authorities. My opinion is that if we are to have a reasonable and sensible approach to these problems and differences there can and should be an understanding reached in the interests of the future of Canada, and we should convene a meeting of the representatives of federal, municipal and provincial governments as soon as possible. These representatives should meet as often as required in order to resolve these problems in the only conceivable way.

This can only be accomplished by a revision of the constitution whereby there is a clear line of demarcation between federal, provincial and municipal authority. As brilliant as the Fathers of Confederation were 101 years ago they could not foresee the problems of government and the demands of the people 101 years later. Nor could they possibly foresee that Canada would not have two levels of government but three—federal, provincial and municipal.

Temporary solutions may be found as a result of conferences. I should like to say it is my strong feeling that if we are realistic and sensible in our desire to resolve these problems we will exercise all the pressure we can on the government to adhere to the principle of bringing all levels of government together for as long as necessary to reach an understanding and a degree of co-operation in relation to the division of responsibility of the three levels of government, as well as fiscal jurisdiction. It is only when that has been accomplished that we will be in the position of knowing who is responsible in legislation and for taxation. Once this has been accomplished people will know which government is responsible for supplying necessary things. They will know the taxing powers of each level of government and which government must impose an extra tax to provide for certain demands. I feel this is a most important matter which has not been given proper consideration.

It is also my belief that if the Minister of Finance (Mr. Benson) is correct and there will be an over-all policy and change in federal fiscal arrangements and a balanced budget, which many of us doubt, then consideration should be given to at least making a step in that direction. I know the government is in grave fiscal difficulty now, and I think it will be next year, but it has long been my thought that this present generation as well as generations in the past have and are acting completely unethically. On a great many occasions we have passed on the responsibility for repayment to future generations not yet born. If I had the ability and the time I should like to make a study to see whether we have as yet paid for the Boer war.

What has been our fiscal policy? In the main it has been to borrow for 20, 25 or 40 years and then pass on the refunding responsibilities to an unborn generation. On an ethical basis, as far as it is possible, when we borrow under our authority we should not only make provisions for paying the interest but should accept a responsibility for setting aside annually an amount of money so that at the end of the borrowing period we can pay off that debt.

I realize there is a serious problem involved in this regard and we might have to be very tough and hard, but I honestly believe that if we are to be reasonable, ethical and moral parliamentarians it is time we made a start in this direction. We should accept our responsibility to repay the principal as well as the interest rather than carrying these debts for 25, 40 or 100 years hence. We should avoid building up this debt of interest and principal. This is a difficult problem but some thought should be given to taking at least a token step in this direction.

It was interesting to hear the Minister of Finance describe his difficulties during his speech the other night. He referred to the $600 million deficit this year and promised to have a balanced budget next year. He indicated that in this regard members of the House of Commons will not have very much success in respect of constituency or provincial matters which require money. He made it very clear that we can talk all we want but we will not get action. I can understand that coming from the minister but it seems to me it was not and is not necessary for him to say so.

This is perhaps the case because of the lack of planning on the part of the previous government and because of inefficiency in the past and present. The present and past governments have thrown millions of dollars down the drain instead of using this money for useful purposes. Several years ago the government decided to spend $32 million for the construction of a new airport terminal at Vancouver. The top echelon or top brass must have been aware of the transportation problem which would occur. If they did not know they were told by the members of parliament. We asked the government to do something about this but it did nothing. This wonderful $32 million airport terminal was opened. Nothing was done in respect of transportation

facilities. What is to be done now? Within one year a two lane approach will have to be built over an arm of the Fraser River. By the end of 1972 we will require a four lane main artery highway from Vancouver to the airport. The government knew of this situation years ago but it did nothing about it. So now the citizens of Vancouver and others who travel will have to put up with the inconvenience and problem involved. In addition, it will cost the government 100 per cent more to do in the next three years what it should have planned three or four years ago.

• (12:30 p.m.)

This is a waste of public money. It is plain stupidity. This type of thing has been done many times. But, Mr. Speaker, that is not all. Let us consider another matter. This government cannot help members of the house to obtain those things which are of immediate necessity to their constituents, because they cost money. The money should be available with which to meet reasonable requests. It would be available if the government cleaned out its administrative house. What do I mean by that? I would love to see the public accounts committee really look into these questions.

There is supposed to be co-operation between departments. When equipment is not needed by one department but is needed by another, arrangements should be made so that the department needing it will have the use of it. Does the government do that? No, it does not. If a department no longer has need of a heavy piece of expensive equipment it is declared surplus, but until it is declared surplus another department that needs this piece of equipment should have the use of it. I could, if I had the time, give the house illustrations of what I mean. What does the government do in this situation? Because it has been declared surplus by one department the government takes the equipment away from the department that needs it and is using it, and sells it at a give-away price through Crown Assets Disposal Corporation. I can give an example of this occurring in the Northwest Territories in the last month. Thousands of dollars went down the drain because of lack of co-operation between departments.

Then there is the question of alterations to buildings. Ye gods, the money the government has thrown down the drain in this way! If it happens in Vancouver, I guess it happens everywhere else. A building in Vancouver will be torn down in four of five years' time. The government makes alterations to a building, builds partitions and instals new lighting. Then one day, before anybody was moved in, it is decided that this is not what was wanted, so contractors, or government's staffs move in, tear down the partitions and lighting and do it all over again.

How many millions of dollars is the government pouring down the drain in this way? I wish the government would check the architects it uses. I know the construction industry and have a great many friends in that industry. I have many friends not just among the workers but also among the contractors. On most occasions the specifications call for a certain thing. Usually it is American; usually it costs twice as much as it could be purchased for in Canada, and the Canadian equipment would be just as efficient. But no, the architect specifies by name a certain piece of equipment, and Canadian taxpayers pay through the nose unnecessarily. This happens time after time.

I wish to bring another interesting matter to the attention of the house. It is right that cabinet ministers should travel across the country and examine departments and buildings under their control. This is very important if you are a new minister in a new government. But why is it, when a minister gives three weeks', four weeks' or two months' notice that he will be paying a visit to the departmental facilities across Canada that come under his jurisdiction, that overnight money is spent in painting and cleaning up buildings whether they need it or not. This is done to make everything just wonderful when the minister arrives.

About five weeks ago the Minister of Defence Production (Mr. Jamieson) gave notice that he was going to pay a visit to the one and a half floors occupied by his department in the Queen's printer's building over in Hull. For the last three weeks—and this is not rumour; I have checked it—the painters have been working at night and on Saturdays, on overtime pay, to have it freshly painted for the minister when he arrives there next week, the week after or whenever it is.

An hon. Member: Look at the money the workers have to spend.

Mr. Winch: Look at the money the government is spending on a paint job that was not necessary. In addition, this is a comparatively new building. The air conditioning system was not working properly, so the government

spent $1 million to fix it. Every year the government is building new departments, new floors or having new alignments made to floors. Every time a new office or department is required they put in not only new partitions but lower the ceilings. Why in the name of heaven does the ceiling have to be lowered every time a change is made? When you consider these matters you realize the money that is being wasted by the government and the millions of dollars that could be used to carry out necessary works now if the money had not been wasted.

A proper job should be carried out in respect of the interior harbour of Vancouver. The harbour commissioners know exactly what is the ultimate development of the inner harbour of Vancouver. It extends from Lion's Gate bridge all the way down to the city of Port Moody and takes in not only my riding but five others. The harbour commissioners know what is the largest ship that can use the channel; they know the dredging that has to be done, the private companies involved and what their problems are. They know what it will cost to develop the inner harbour at Vancouver. What is this government going to do? They will spend $1.5 million next year through public works to start the dredging, which will take two, three, four or five years, and the cost involved will be far greater than it would if the work were done today. What we need is planned action, not talk. The government should clean its administrative house.

An hon. Member: We haven't the money.

Mr. Winch: You can get it. Do not sell expensive equipment at give-away prices when another department needs it. Do not let a tenderer get this equipment from Crown Assets Disposal Corporation at give-away prices. Do not carry out unnecessary alterations, that is, do not make alterations until you know what is required. Do not spend thousands of dollars of the people's money—I put this figure at the minimum—because a minister is going to visit a building and it has to be painted before he arrives. This is the taxpayers' money that is being wasted. It should be used wisely and efficiently. If money were not wasted in this way, it would be available for all those things members require immediately in their constituencies.

The attitude of the Prime Minister and the cabinet as reflected in the budget should be changed. This budget is not based upon ability to pay but upon making the rich richer and the poor poorer. If reasonableness and common sense were applied to the problem, these things could be done. The Prime Minister should, with reasonableness and common sense, apply the principles he agreed upon as a socialist. If he were, as Prime Minister, to do this we could build greater national unity instead of the present disruption and destruction that are being caused by the policies of the government. Disruption and destruction are indicated in the planning and talk of this government. I wish, Mr. Speaker, I had longer to speak because I could take up another 30 minutes on this subject, but I see I have only 30 seconds left.

An hon. Member: Carry on.

Mr. Winch: If the house would allow me a further 30 minutes I would love to finish my speech. However, I know there will be further opportunities when I can give evidence of the injustices perpetrated in a so-called just society. I will conclude, Mr. Speaker, because my time is up, by saying to the Prime Minister and members of his party that we welcome his call for a just society. We believe in a just society. But we say, not with humility but with conviction, that you will never achieve a just society by talk. You will never achieve a just society by following unjust policies and practices. When this government demonstrates to the house that it means what it says it will receive 100 per cent support of all members of the New Democratic party.

• (12:40 p.m.)

[*Translation*]

Mr. Bernard Dumont (Frontenac): Mr. Speaker, in view of the budget speech of October 24 last, like Maurice Chevalier, the hon. Minister of Finance (Mr. Benson) could have sung the song so well interpreted by this artist: "Pay your debts". But today, this public debt singer tells us: "Pay your taxes". Therefore, a song entitled "Pay your taxes" will have to be written.

I remember this song by Madame Bolduc which could be heard so often in Quebec during the depression, and I shall quote a few sentences which I remember.

Ma chère, la vie est chère,
Pour s'régaler, qu'est-ce qu'on va faire?
La viande, c'est tout ce qu'on demande;
Le beurre et le riz sont hors de prix.
Taxes sur les allumettes,
Taxes sur les cigarettes,
Taxes sur les suçons et même
Sur les vieux garçons.

I think that, even in 1968, it would be timely to sing this song from the depression.

Some hon. Members: Hear, hear.

Mr. Dumont: Everyone is looking at this financial magician who is going to perform a spectacular sleight-of-hand by making an egg come out of a hat. We are not told what kind of egg it will be, it may be good, it may be bad, it may be poor, it may be round or square, but you can rest assured that it will be an egg. That is it the trick is played right under our very eyes and the magician takes back his hat.

Mr. Speaker, our Minister of Finance makes beautiful speeches in an attempt to win the friendship of the Canadian people, but very seldom does he put himself in their place in order to better understand their problems. He is a foxy one who ignores the seriousness of the taxpayers' situation and who makes remarks in a loud voice.

Before I carry on with my remarks—since we are told that a speech cannot last more than thirty minutes—I should like to challenge a few remarks made by the hon. member for Trois-Rivières (Mr. Mongrain).

Yesterday, in his speech, he launched an attack against the leader of the Ralliement Créditiste (Mr. Caouette). First, I want to point out to him that he does not come up to the garter of the hon. member for Témiscamingue and he has not done a quarter of the work which the leader of the Ralliement Créditiste has done in Canada.

Mr. André Ouellet (Papineau): I do not think that the hon. member for Frontenac should talk about the most private underclothing of the hon. member for Témiscamingue by referring to his garters.

[*English*]

Mr. Deputy Speaker: Order, please. I was trying to check that myself. The hon. member has to address the house from his own seat.

[*Translation*]

Mr. Dumont: Mr. Speaker, I am under the impression that the hon. member for Papineau misunderstood me; I was speaking of the garter of the hon. member for Trois-Rivières.

The hon. member also said: "I studied Social Credit and did not understand a thing".

Mr. Caouette: Yes; he is not bright enough for that.

[Mr. Dumont.]

Mr. Dumont: I am not surprised.

I shall never forget the words the late Maurice Duplessis—Mr. Duplessis came from Trois-Rivières, and doubtless the hon. member for that riding knew him—took pleasure in quoting: "Education is like liquor; some people cannot digest it." I feel those words apply very well to the member for Trois-Rivières. Besides, in the next elections, he will sing: "I only passed through that riding".

At this stage, I should like to stress another point which leaves 40-year old people quite puzzled. Those are the thoughts that came to my mind when looking at pages 1327 and 1328 of the 1950 *House of Commons Debates*. We are puzzled when we hear the high-sounding statements of the Minister of Finance because of the short-sightedness which really existed at that time, and still today I wonder whether the Minister of Finance does not behave in the same way.

As can be seen on pages 1327 and 1328 of the 1950 *House of Commons Debates*, the Canadian government was granting loans of $98.5 million to provincial and municipal governments, while granting interest-free loans of $2,028 million to the United Kingdom and other governments.

We can read the followng on page 1328:

Loan to the United Kingdom,

In 1950.

$292.0 million.

Loan to the United Kingdom under The United Kingdom Financial Agreement Act, 1946, $1,165.0 million.

—That is an increase of 120 per cent.

Advances under The Export Credits Insurance Act, Part II, $523.5 million.

In short, loans amounting to $2,028 million were granted in 1949-50, and everyone knows that afterwards, the government under the right hon. Louis St. Laurent even exempted the United Kingdom from the obligation of repaying its debts.

Because of this want of foresight on the part of our administrators in the 1950s, those whose responsibility it is to govern the country today have to live with those past mistakes. However, the lesson those years taught us leads us to think that the same mistakes are being made today and that is why, at our age, we are asking ourselves whether Canada is taking the direction it should.

I should also like to point out that we, in this corner of the house, have repeated time and again, and the leader of the Ralliement

Créditiste (Mr. Caouette) said it again last night, that we want to see the end of the debt system whereby the banks create all the credit by fixing the interest rate for the country.

I ask the Minister of Finance to consider carefully the example I shall now give him. A few years ago, the Minister of Finance of the comparatively small country of New Zealand, through the national bank of that country, created 50 million pounds sterling free of debt or interest for use by the government. As Minister of Finance, he found a way of lending the farmers of his country money at an annual interest rate of 1 per cent.

If the Minister of Finance would follow that example today, these same loans could help all Canadian citizens who want to have their own home, their own house and their own heritage. Instead, everything is continually being taken away from them through excessive interest rates.

That article said that one of the worst things that can happen to a farmer or to a home owner is to have to buy a quantity of goods on time or to build a house and have to pay an excessive interest rate.

If we really want to help our people, those are sectors where we could be useful. What was good for New Zealand can surely be good for Canada, for this prosperous Canada of ours, at the present time, is certainly not short of production.

I have here an article published recently in a newspaper; it is entitled: "Crisis: too much wheat"

What are the Créditistes asking? That money be based on production. The wheat is there and the slip of paper should be made out to correspond to the production: $68 billion worth of production, $68 billion in money. Then the Minister of Finance would be able to find the money needed to manage the country properly.

• (12:50 p.m.)

Speaking of "Crisis: too much wheat" here are the figures, and I quote textually:

> We are stuck, so to speak,—
>
> For the year 1968
>
> —with 664 million bushels.

And so, in spite of such abundance, Canada is heading for disaster because there is too much wheat. And the article continues:

> But there is worse. India and Pakistan have managed, this year, through some miracle or other, to have bumper crops. The enthusiasm is such that the leaders have gone as far as to say that in the near future their country will no longer import wheat. Australia and France are offering wheat at a lower price than we are, and for a long time now Argentina has had a foothold in just about all the markets of the world. Our customers, China and Russia, have not made a move yet but, as we know, our competitors are going out of their way to tear those two markets away from us.

I find it inconceivable that in 1968, when far-away places can be reached in record time, that it has not yet been possible to establish a financial system which would make that wealth available to the needy by converting it into the sums of money required. And this is exactly what is tremendously wrong with a system which the Minister of Finance continues to uphold. The system is outdated in this era of progress of 1968 and some means must be found at all costs to distribute that wealth to everyone.

Another example which I would like to give in this criticism of the budget speech deals with the taxes levied, especially on life insurance companies. The newspaper *Le Droit* pointed out that the raise amounted to 3,000 per cent.

I would not object to the taxation of some companies with head offices in England, in the United States or in some other countries and which opened branches here in Canada. I am talking in particular of British insurance companies who, because we are members of the Commonwealth, did not have to pay taxes in Canada. I would not object to the taxation of those companies in order to put an end to their illegal competition with our own companies. The main point I wish to make is that by attacking our insurance cooperatives and our French-Canadian mutual insurance companies in Quebec the minister is going against our aim in Quebec, which is to become more and more the masters of our own economy.

For eighteen years, I personally have helped to establish a French-Canadian mutual insurance company, by making sacrifices, fighting against the magnates of finance, namely the Prudential Company of London and the Standard Life Company. By making sacrifices, we managed to establish cooperative organizations which allow for the distribution of profits.

Thus, profits go back to the individual. Besides, I have in my hand an article which establishes who buys life insurance. I will quote it word for word in order to show that in fact it is not the companies which are taxed but rather the individual. Here it is:

> Who buys life insurance? Studies undertaken in these last few years have established that Ontario and Quebec hold first place among the Canadian provinces for the amount of insurance in force per capita. The Canadian average, late in 1966, was

about $2,400 of life insurance per person, while the same average reached $2,750 for Ontario and $2,500 for Quebec. On a family basis the same situation prevailed.

The average amount of life insurance held by each family was about $16,100 for the whole country; however, it varied considerably from one area to the next.

It would be necessary for individuals and large families to buy life insurance and take advantage of the new taxation formula; this affects mainly co-operatives which had found a way to distribute their profits. The Minister of Finance is going to put some of them out in business in Quebec; I dare predict that over 25 companies which appeared in the last twenty years, will fold up.

If it is not, once again, a decision to destroy organizations which have become a little more powerful in Quebec, on behalf of those who disagree, I will accuse the Minister of Finance of being a great separatist, because it is through finance that he will choke us up systematically. A Quebec where people cannot get their economic freedom cannot survive.

Besides, since the Minister of Finance does not seem to know what is a co-operative, I shall make now a brief comparison. What is a co-operative? It is a group of people who organize themselves in order to provide themselves with goods and services. What is a private company? It is a group of businessmen who organize themselves in order to make profits out of capital. There is a world of difference between the two terms of this comparison.

Where do the goods of co-operatives go? They go to their members to the extent of their purchases from their co-operative. Therefore, the goods are obtained at cost; since people get them at cost, that 15 per cent surcharge should not be considered.

What do private companies want and what do they get? Their profits are distributed among shareholders according to the number of shares they have. They are trying to get a profit on every item sold.

I have no objection against private firms going on making profits, because in a well-organized society, where private enterprise is successful we only have to set up cooperatives if we want to prevent the abuses of capitalism.

So, long live private enterprise. I think we all agree on that. However, as the head of the Ralliement Créditiste said yesterday when a company is making too much profit as in the case of Imperial Oil, which has made a profit of $70 million in nine months, one cannot help but wonder why the Minister of Finance did not tax them earlier as they are a tangible evidence of the abuses of a kind of capitalism which is out of place in 1968.

Furthermore, I wonder why the Minister of Finance did not tax mutual funds companies, like Investors Syndicate, a foreign company with profits running to millions. Trust companies and banks make enormous profits. Why then did he not draw from them the taxes he claims to need, in a system we do not accept because we feel it is outmoded.

May I call it one o'clock, Mr. Speaker?

[*English*]

At one o'clock the house took recess.

[*Translation*]

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Dumont: Mr. Speaker, before the adjournment I was saying that Canada now has a surplus of 664 million bushels of wheat. I hope that the Minister of Finance who has enjoyed his good bread at lunch, will think of those who go without it and will allow that dollar which the Ralliement Créditiste is requesting to reflect that production, so that it will reach those who are in need.

The Ralliement Créditiste is in favour of private enterprise but wherever there is abuse—I am speaking of the abuse of capitalism which adds to the wealth of a few millionnaires—we come with an alternative, namely the co-operation made possible today by co-operatives.

As evidenced on page 204 of the official report of the *House of Commons Debates*, the Minister of Finance said and I quote:

That with effect January 1, 1969, a life insurance corporation (including a mutual corporation or a fraternal benefit society) shall be required to pay an investment income tax at the rate of 15% upon its taxable investment income—

If that measure, and particularly that tax of 15 per cent on investment income are passed, many mutual corporations and many fraternal benefit societies, mostly French-Canadian, will disappear. Those companies will be forced to merge in order to compete with the almighty companies. Last spring, when Canada lived through a certain experience that was almost disastrous—I am referring to rush on gold—the Metropolitan Life

Insurance Company transferred $10 billion of assets to the United States, and in the magazine *Le monde des affaires,* it was said that if ten companies had done likewise, the Canadian economy would have been lost.

In view of the disastrous economy we have, in view of an economy which is no longer correctly oriented, in 1968, the hon. Minister of Finances should nevertheless give particular consideration to what we say, because the fraternal benefit societies and the co-operatives are almost all we have left in Quebec.

I shall refer particularly, among other societies, to l'*Industrielle,* of which Mr. Jean-Louis Lévesque was once the president. Recently, he sold the company to Americans who now control 53 per cent of the capital.

We have a Canadian invention which is due to the snow. In our "thirty acres of snow", we have invented something called a "Ski-Doo", a snowmobile. The "Snow-Jet" company, in Thetford Mines, the "Boa-Ski" company and the "Moto-Ski" company in Sainte-Anne-de-la-Pocatière were set up. All of them as well as the "Sno-Prince" company in Princeville have been sold to Americans. From the economic point of view, however we could count on our co-operative associations. Then, by what I call a low trick, a 15 per cent tax on profits which do not really exist was established. I made a comparison earlier. Unlike certain other organisations, a co-operative association should not have a tendency to become a capitalist concern. The aim of a co-operative association is simply to provide services.

That is why the ministers who work with the Minister of Finance and hon. members from Quebec should act immediately, as they did, for example, in order to restore the distribution of mail on Saturdays in rural areas, for the very survival of the institutions which we built with so many sacrifices is involved. Quebec and Quebecers will never, at a time when they are gaining strength, accept the disappearance of those organizations which are about the only property they have left.

Aside from the Desjardins movement, the Société des Artisans—a life insurance company—and some other organisations such as the Laurentienne or the Catholic Farmers Union, what else really belongs to us, from the economic point of view? Why should we fight to defend this idea of the Minister of Finance whose aim is simply to destroy co-operative institutions?

The enemies of co-operatives often complain that the rate of taxation the government of Canada is imposing on company profits sometimes reaches up to 52 per cent. This is one way of deceiving the public at large. They keep repeating that companies are burdened by taxes and, that, in this respect, co-operatives are a greatly favoured economic sector.

I have on hand a document supported by figures which established that it is just the contrary which is the case. As it would take too much time to quote at length this 10-page document, I shall request the house to let me table this document to be included in *Hansard* so as to allow the Canadian people to know the amount of taxes private companies have paid comparatively to the amount paid by co-operatives. With the permission of the house, this document could be added in the appendix.

Mr. Speaker: Does the house agree to have the said document printed in this day's *Hansard* as an appendix?

Some hon. Members: Agreed.

[*Editor's Note: The document referred to above reads as follows:*]

EXHIBIT "A"

RETAIL BUSINESS—STATISTICS OF COMPANIES—TAXATION YEAR 1960

(In millions of dollars)

Industrial group	Economic businesses					Uneconomic businesses	
	Number of companies	Profis for current year	Losses for previous year (to be deducted	Net payable income	Total of declared tax	Number of companies	Losses for current year
Food stores	877	43.7	.2	43.4	17.0	504	2.6
Department and dry goods stores	201	81.4	.1	81.3	36.1	23	.2
Other goods (gen.)	380	3.3	.1	3.3	.8	134	1.2
Accessories. automobile tires, service stations	852	11.1	.1	11.0	3.0	451	.9
Retail sales of automobiles	1,821	34.5	1.3	33.1	10.0	1,039	14.7
Automobile repairs	472	2.8	.1	2.7	.5	242	1.2
Shoe stores	304	5.4	.1	5.3	1.6	81	.3
Clothes and haberdashery	1,422	15.2	.8	14.3	3.7	711	2.4
Hardware	620	3.8	.2	3.5	.8	330	1.3
Furniture and appliances	1,054	15.2	.9	14.3	4.1	606	4.5
Drugstores	780	8.1	.1	8.0	2.0	181	.8
Fuel oil retailers	324	5.3	.2	5.1	1.5	161	.5
Jeweller's businesses	300	4.5	.1	4.4	1.5	102	2.0
Other retail businesses	1,412	15.5	1.1	14.5	4.2	855	5.2
Total	10,819	249.8	5.4	244.4	86.8	5,420	37.7

SOURCE: Fiscal statistics 1962, pages 113–114.

(Published by the Retail Merchants Association)

Corporate dividends, when added to personal incomes (salaries, wages, etc.), are not taxable at the rate of 23 per cent of their value. From the amount of 22 per cent of dividends, one can deduct 20 per cent of the net value of dividends received (see Exhibit "B").

For example, our shareholder should pay, apparently, $3,827 of the $17,394 received as dividends. But he may claim 20 per cent of that amount, that is $3,479; therefore, he has to pay only $348.

Therefore, the Crown levies $5,196 in income tax from an average company and $348 from the average shareholder, that is $5,544 altogether. If this amount is applied to the average net profits ($23,089) of the 10,819 companies, it can be seen that the Crown receives 24 per cent of those profits.

Companies and Co-operatives

Please note one thing before going further. If the company keep its profits, instead of paying dividends to its shareholders, taxes paid to the Crown decrease by $348 (amount of personal income tax) to approximately 22.5 per cent of the average net profits.

On the other hand, the same profits can be paid out by a co-operative to farmers, as a rebate. Therefore, the farmer with a taxable income of $4,000 (exclusive of rebates) pays income tax at the rate of 22 per cent of the rebate based on his purchases at the co-operative; it does not matter whether the rebate is cashed or left with the co-operative.

Capital gains

When an economic business does not pay dividends to shareholders, a time comes when its shares increase in value. When a shareholder sells his shares at a higher price than he paid for them, the difference between both prices is called a capital gain, which is tax-free.

To have an idea of the advantages to investors (and to economic companies, but not to co-operatives or to their members), let us take the example of an elevator factory.

In 1957, the shares of that company were selling for $23; now, quite recently, they had reached $96. One who bought some eleven years ago is now making a profit by selling them at $73 per share which is entirely tax-free.

PRIVATE OWNERS

The second table in the report of the Retailers' Association indicates that Ontario then had some 77,773 taxpayers and owners of retailing businesses not legally constituted. Together, they received an income (profits) of $420 million and paid $45.4 million in taxes (see exhibit "C").

In other words, the income of the average owner of such businesses was taxed at the real rate of 11 per cent, that is less than the rate applied to the rebates for purchases of farming implements granted to the farmer whose taxable income varies between $4,000 and $5,999.

Any accurate comparison is difficult

The statistical data quoted do not include the 5,420 retailing companies nor the 30,563 individual owners who did not pay any income tax in 1960, because the business was showing a deficit or its income was lower than the taxable level.

The statistical data and the examples quoted in this article are quite general, let us admit it, not because our information is inaccurate, but because we must stick to averages. In addition, a great number of variable factors come into account as to the incidence of the various regulations on corporate and personal income tax.

NON TAXABLE REBATES

We have not taken in consideration up to now, it is true, the fact that an increasing proportion of the volume of consumers co-operatives take the form of personal and household assets and their rebates are not taxable.

This is the time to repeat it: it is not the purpose of the co-operative to increase the income of its members, but to reduce their expenses. It succeeds in doing so by refunding the difference between the cost price and the real cost of services provided.

COMPANIES STATISTICS

The statistical data are based on 10,819 retail companies having paid taxes in 1960. On the whole, the profits of those companies reached $249.8 million, and their net taxable income (after deduction of the previous year's losses), $244.4 million. They paid altogether $86.8 million income tax (see Exhibit "A").

By dividing the total net profits ($249.8 million) by the number of companies (10,819), we see that each one has realized an average profit of $23,089 and that its net taxable income was $22,590.

The corporate income tax applies at the rate of 23 per cent on the first $35,000 of

taxable income and at the rate of 52 per cent on the exceeding amount. Which would mean that an average company would pay 23 per cent (minimum rate) on its taxable income, namely $5,196.

It would therefore be left with an amount of $17,394 ($22,590—$5,196) to be split between its shareholders as dividends.

Shareholders' contribution

Of course, shareholders must enter all income in their personal income tax forms including dividends from companies, salaries, earnings, and so on.

Let us say that the balance of our company's profits, amounting to $17,394, are divided among a large number of shareholders whose personal salary or pay is $4,000 before they receive any dividends (which is quite a reasonable assumption, as can be seen from Exhibit "E").

According to the rates shown on the personal income tax form, our shareholder will have to pay $610 on the first $4,000 of his taxable income (which represents a rate of 15½ per cent), and 22 per cent on the balance up to $5,999.

Exhibit "B"

Federal income tax rate for 1964

Taxable income	Tax	
$ 1,000 or less	11%	
1,000	$ 110 + 14% of the following	$ 1,000
2,000	250 + 17% of the following	1,000
3,000	420 + 19% of the following	1,000
4,000	610 + 22% of the following	2,000
6,000	1,050 + 26% of the following	2,000
8,000	1,570 + 30% of the following	2,000
10,000	2,170 + 35% of the following	2,000
12,000	2,870 + 40% of the following	3,000
15,000	4,070 + 45% of the following	10,000
25,000	8,570 + 50% of the following	15,000
40,000	16,070 + 55% of the following	20,000
60,000	27,070 + 60% of the following	30,000
90,000	45,070 + 65% of the following	35,000
125,000	67,820 + 70% of the following	100,000
225,000	137,820 + 75% of the following	175,000
400,000	269,070 + 80% on the balance	

Abatement for dividends: If your income includes dividends from "taxable Canadian companies", you are entitled to an abatement for dividends. The amount of the abatement corresponds to 20% of NET dividends from such companies. (NET means gross dividends received or granted less any deduction, such as depletion and service costs). However, the amount of the abatement should not exceed the "total income tax".

[Mr. Dumont.]

Exhibit "C"

Retail Trade—Owners
Taxation Year 1960
(In millions of dollars)

Taxable		Number	Owners Income	Tax
$	$	$	$	
Under	2,000	4,870	7,517	295
2,000—	2,999	12,274	31,424	1,069
3,000—	3,999	16,244	56,424	2,548
4,000—	4,999	13,432	59,883	3,765
5,000—	5,999	8,789	47,900	4,000
6,000—	6,999	6,065	39,216	3,796
7,000—	7,999	4,324	32,324	3,744
8,000—	8,999	3,157	26,640	3,309
9,000—	9,999	2,018	19,138	2,519
10,000—	14,999	4,444	53,079	8,641
15,000—	19,999	1,326	22,601	4,827
20,000—	24,999	453	9,995	2,496
25,000 and over		377	13,702	4,412
Total		77,773	419,842	45,423
Non Taxable				
Under	1,000	10,993	1,831—	
1,000—	1,999	11,904	17,964	
2,000—	2,999	13,571	32,994	
3,000 and over		4,095	14,622	
Total		40,563	63,749	

Source: Fiscal Statistics 1962, p. 94.

(Published by the Retail Merchants Association Inc.).

Whether they are cashed immediately or later, rebates increase the purchasing power of the members. It would be worthwhile to establish the usefulness of every measure that allows the consumers to purchase more of the goods which are becoming increasingly abundant thanks to automation. For the time being, however, it is sufficient to note that co-operatives, through their rebate policy increase the purchasing power of their members.

As consumers well know, it is almost impossible to purchase anything without paying taxes directly or indirectly. Exhibit "D" shows clearly that the consumers, not the corporations, are the most important taxpayers in Canada.

It is true that this table lacks accurateness to the extent where it classifies taxes and other government revenues according to whether they are paid by individuals or corporations. Nevertheless, its figures come from a reliable source.

It is noted that general sales tax provides the government with revenues of almost $1 billion. Those taxes are levied at the manufacturer level, so that they are included in the prices to the consumers. Excise duties bring in $619 million, customs and import duty, $526 million, for a total of $2.15 billion, that is, a revenue by far superior to the total corporations tax, which amounts to $1.2 billion for the same period.

If we add to this the $1.75 billion paid in income tax by Canadians, we see that, in fact, the consumer contributes the most to the tax revenue.

Of course, co-operative members, as consumers, pay the same taxes. The rebate they receive from the co-operatives, by increasing their purchasing power, also makes them pay more taxes.

But—to the taxes paid by co-operative members, as they progressively are able to spend more, must be added the taxes paid by the co-operatives themselves. The rate of 23 per cent on the first $35,000 in taxable income, and that of 52 per cent on the balance, apply as well to co-operatives as to other types of undertakings.

Exhibit "D"

FEDERAL GOVERNMENT REVENUE, BY SOURCE

Statistics for taxation year ending March 31, 1960

	Amount (In millions of dollars)	Per cent of total
*(a) Tax revenue, largely derived from individuals		
Personal income tax	1,752	30.6
**General sales tax (applied to cost of products at the manufacturer level)	1,003	17.3
Excise duties		
Liquor 193		
Tobacco 331		
Automobiles 64		
Other 33	619	10.7
Customs and import duties	526	9.2
Total	3,900	68.0

*(b) Tax revenue largely derived from corporations		
Corporation income tax	1,234	21.5
Tax on interest, dividends etc., going abroad	73	1.3
Other revenues: post office returns, estate duties and estate tax, returns on government enterprises, licences etc.	528	9.2
	5,735	100.0

*The classes mentioned here are of a very general character and probably somewhat inaccurate. For instance, corporations pay excise duties on the cost of automobiles they buy. On the other hand, estate duties and estate tax concern chiefly individuals.

**Sales taxes are established at the manufacturer level and are included in the cost price of products, which is paid in the final analysis by the consumer. It is to be noted that sales tax rates have increased since 1960 from 10 to 11 per cent of the cost price, so that the burden on the consumer has increased accordingly.

Table based on statistics from the *Canada Year Book—1962*.

Exhibit "E"

Canadian Taxpayers Statistics—1959

Income	Taxpayers No.	Taxpayers Per cent	Tax paid (In millions of dollars)	Tax paid Per cent of total
Up to $1,999	662,240	15.6	36.0	2.3
From $ 2,000 to $ 2,999	886,585	20.9	123.8	7.9
From $ 3,000 to $ 3,999	1,012,718	23.8	212.8	13.5
From $ 4,000 to $ 4,999	756,219	17.8	236.2	14.9
From $ 5,000 to $ 5,999	397,403	9.4	180.2	11.4
Total	3,715,165	88.	789.0	49.9
From $ 6,000 to $ 7,999	301,965	7.	203.6	12.9
From $ 8,000 to $ 9,999	97,903	2.3	103.2	6.5
From $10,000 to $14,999	76,753	1.8	133.9	8.5
From $15,000 to $19,999	24,389	.57	80.4	5.1
From $20,000 to $24,999	10,027	.24	51.4	3.2
$25,000 and over	16,288	.38	218.4	13.8
Grand Total	4,242,490	99.79	1,580.	100.

Source: Canada Year Book—1962

EXHIBIT "F"

CANADIAN TAXPAYERS—STATISTICS BY OCCUPATION—1959

Occupation	Taxpayers Total	Total income	Total tax payable	Average income	Average personal tax	Per cent of income
	No.	(In millions of dollars)				
Doctors and surgeons	12,878	202.7	44.0	15,737	3,419	21.7
Engineers and architects	2,183	32.7	7.5	14,982	3,453	23.0
Lawyers and notaries	6,934	97.9	22.4	14,123	3,236	22.9
Dentists	4,220	49.0	8.8	11,605	2,075	17.9
Accountants	3,620	39.9	7.5	11,033	2,081	18.8
Other professionals	7,306	47.3	6.3	6,476	859	13.3
Artists and comedians	2,001	12.5	1.6	6,237	805	12.9
Investors	107,089	657.5	97.1	6,139	907	14.8
Salesmen	52,029	289.8	30.8	5,570	593	10.6
Business proprietors	192,724	1,042.2	119.9	5,408	622	11.5
Real estate agents	2,603	12.9	1.1	4,965	422	8.5
Fishermen	3,895	17.1	1.5	4,394	377	8.5
Farmers	66,011	273.6	20.9	4,145	316	7.6
Employees	3,743,111	14,551.3	1,201.6	3,887	321	8.3
All others	35,886	121.9	9.0	3,397	250	7.2
Totals	4,242,490	17,448.3	1,580.0	4,113	372	9.0

SOURCE: *Canada Year Book—1962*

The Budget—Mr. Dumont

• (2:40 p.m.)

Mr. Dumont: As I said, if the budget carries as it is, it is obvious that the most heavily taxed will be the insurance companies as compared with trust companies, mutual fund companies and banks. Why should the minister not tax these institutions? He could get from them all the money he needs to satisfy his ever growing need for new funds.

At the same time, the Minister of Finance (Mr. Benson) wants to levy income tax on these companies. This represents an amount almost equivalent to the tax levied on investment income. Still not satisfied, the Minister of Finance, when the policy holder redeems his policy or receives a gift or transfers his policy to another person, taxes the gain on the insurance policy. Here is how this works out: Redeemable value of the policy minus the net premiums paid or, in other words, the premiums paid after deduction of the accrued dividends. If this tax is not one on capital gains, I wonder what is. In a mutual fund company, for instance, there is admittedly an annual dividend and it is normally calculated on a rather low interest of 3 or 4 per cent. The true profit is obtained from the sale of the mutual fund policies. For example, if I were the owner of a mutual fund policy of $500 and, after a number of years, I sold it for $1,000, I would not be required to pay any tax on the capital gain accrued on this fund. In fact, this profit results solely or almost from interest which I should have been receiving during those years.

In my estimation, the whole thing is ridiculous, Mr. Speaker. A life insurance company is not a capitalistic institution whose aim is profits. On the contrary, these companies, especially the one belonging to Quebec or Canada are the property of the policy holders. I am speaking about most of the existing mutual and fraternal societies. Therefore, those companies belong in part at least to their policy holders. It is well known that most of the insurance policies are of the participating type. Also, the law provides that for companies of this type, the insured have a right to elect as beneficiaries a certain number of administrators in order to protect their interests. Therefore, even if the Minister of Finance includes the life insurance companies for taxation purposes, he is not in fact levying taxes from those companies but rather from the public generally, since undoubtedly the effect of this taxation reduces refunds or dividends on existing insurance policies which in turn will result in higher premiums for new policies. Who is paying? It is surely the public generally. It is not a matter of taxing the corporations, but it involves the public generally and, certainly, the little people are the losers.

I wish to emphasize that I do not want the insurance companies to be state-owned. I want them to remain on a co-operative basis as they are at the present time, for we have in the province of Quebec the best example of what socialism will do. The nationalization of the hydro companies has simply resulted in increasing the electricity rates. This is a case where co-operative hydros would have been of great help, whereas nationalization has not produced any results. In other words, it is only through co-operation that results would have been obtained.

This morning I had begun to give an example of the difference between co-operatives and private enterprise in order to demonstrate the abuses by capitalism wherever there is a concentration of profits.

Encyclicals have been written in this respect. Only a co-operative is able to check those organizations which, too often, are bent on making profits but, as we always say, have no heart unlike co-operatives which can make people benefit from the profits they make. I said earlier today that for 18 years I have helped to set up co-operative organizations of this kind, because I found that money had a soul in those organizations. In a capitalist company where exploitation of people is carried to its maximum, we do not meet people who are thinking in terms of human beings, they are only thinking in terms of the profits they are making. This is the reason why, when there is concentration of wealth on a large scale, in addition to small enterprises which are successful—and we recognize their usefulness—we must set up co-operatives such as the ones we have established in Quebec over the last 25 years.

Let us go on with the comparison: in the co-operative organisations, savings remain within the consumer's community and his money keeps going around so that in the long run, everybody benefits by it. It happens only too often in some private companies who exploit people that their profits end up in the hands of businessmen abroad, as for instance in the case of Snow-Jet Company, at Thetford Mines, a company which is making a motor-ski specially designed, prepared, oriented and

organized to be sold in the province of Québec. This company, however, is now owned by Americans. Thus, wealth is concentrated in the hands of some capitalists who, later on, come and drain the economic blood of our people leaving us with little choice but to be water carriers or lumberjacks.

I want to carry further my comparison: The co-operative is owned by the members under a democratic process, since every member has an equal say on the elaboration of policies. The co-operative belongs to the people. "One man, one vote." Everybody remember that truth. In private companies, the control belongs to the shareholder or shareholders who have the largest number of shares. The ownership of 51 per cent of shares represents a controlling interest, but money is the deciding factor in private companies. This is why co-operatives require that money be used in a more human way.

Mr. Speaker: Order. I regret to interrupt the hon. member but his time has expired.

An hon. Member: Continue.

Mr. Speaker: Has the member the unanimous consent of the house to continue.

Mr. Stanley Knowles (Winnipeg North Centre): Let us give him 2 more minutes.

Some hon. Members: No.

Mr. Speaker: I regret, there is not unanimous consent.

[*English*]

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, during the course of the budget debate my colleague the Minister of Finance (Mr. Benson) said I would be intervening, and I do so now. I rise to speak today because of my particular interest in the performance of the Canadian economy from the point of view of the consumer whom it is my statutory obligation to represent.

The consumer interest lies in an economic system which makes available an increasing abundance and variety of goods that are dependable in quality and reasonable in price. Similarly, consumers who rely on the use of credit—and their numbers are ever-increasing—are concerned about interest rates and borrowing terms.

During the past three years we have seen an almost uninterrupted increase in Canadian prices. And in the past two years, as the Economic Council of Canada said in its fifth annual review:

> Prices have been marching forward against consumers across a broader front than at any time in the past 15 years.

This has occurred despite the fact that over-all demands on our economy have eased somewhat since the middle of 1966 and despite the fact that unemployment has been running at higher levels than in 1965 and 1966.

In the last couple of years the consumer price index has been going up at approximately 4 per cent per annum. These price pressures have been accompanied by corresponding upward pressures in costs, including wage costs, salaries, interest rates and rents. I know there is a good deal of argument as to which is the cause and which is the effect. The businessman is inclined to put most of the blame on wage increases. The trade unionist tends to blame business for raising prices and thus reducing the real value of existing wages. I believe these are sterile arguments. The process is essentially a circular one; rising prices give rise to increasing cost pressures and higher costs in turn give rise to still higher prices. Moreover, there are many other sources of income and cost pressures in our economy—rents, professional services, interest, stock options, to cite a few examples.

• (2:50 p.m.)

In any event, the effects are no mystery to the victims of inflationary forces. These victims are the Canadians who are old, who are poor, who have no means of adapting their circumstances to the rapid change. They are not organized to insist that their incomes reflect rising price levels. They have no power to insist on a fair share. Citizens who enjoy no bargaining power cannot bargain for a better deal. A fixed income should not mean a fixed injustice. There is always a danger that those whose market power is strong will be somewhat complacent about inflation. They are in a position to protect themselves, and those with little or no bargaining power are left to take the strain. The major instruments that governments must rely upon to keep the economic system in reasonable balance and to maintain reasonable price stability are fiscal and monetary policy. In the budget speech last week the Minister of Finance explained how this budget is intended to contribute to these purposes, and I shall not attempt to add to what he has said on this aspect of the matter.

Without getting involved in conflicting schools of economic thought or theory, Mr. Speaker, it is generally accepted among economists that the basic influence on price performance and employment levels is aggregate demand in the economy. This is reflected in expenditure by consumers, by businesses, by governments, and by foreigners who buy our exports. The key to our performance lies in demand management as expressed in fiscal and monetary policies.

These have to be based on the best available judgment as to what businesses are likely to spend on their investment programs, what governments are likely to spend, and what our exports are likely to be. If the economic system were free from friction, rigidities, and time lags, and if we could foretell the future with more safety, the determination of the correct economic policies would be greatly simplified. The rudder, if we could set the rudder, would be set in the right position and, subject to occasional corrections for changes in the wind, the ship would remain steady on her course.

But we do not live, Mr. Speaker, in such a perfect world. Because of lags in the movement of impulses through the economy, responses to changes in the general economic environment take some time to develop. And what is more, changing expectations about future economic developments can have a perverse affect on the decisions of today. To put the matter more concretely, I think we are faced today with a situation in which a long period of expansion, the longest in our history, has created unusual expectations about future price increases and about continuing economic growth. These expectations are leading our businessmen and our trade unions to regard as normal rates of increase in prices, wages and other costs that are not consistent with reasonable price stability and are probably not sustainable. There is no doubt that these trends could be substantially slowed down, if not eliminated, by a very restrictive fiscal policy, but no one can say what level of unemployment and loss of potential output would be the result. We must consider other approaches.

Many industrial countries have been attempting in recent years to find ways of supplementing the major traditional instruments, fiscal and monetary policy. They have sought other measures to influence the movement of prices and incomes. Most hon. members will be aware of the efforts the British government has been making over a number of years in this regard with the aid of a prices and incomes board, and the adoption of a set of fairly rigid guidelines.

The United States government has also tried programs in this field, first by setting voluntary guideposts, as they called them, for price and income behavior and more recently by creating a cabinet committee on price stability. This committee is charged with the task of looking into special situations such as supply bottlenecks in the economy and the like. A number of European countries have also experimented with various and different approaches to the same problem.

I wish I could tell the house, Mr. Speaker, that all these approaches have been successful, but the fact is that the results seem to have varied from country to country and from time to time. I do not think anyone would claim that these programs can do more than supplement and assist, in a modest way, fiscal and monetary policies. These policies remain the major influence on price and cost performance but there is a strong body of opinion that if the supplementary programs are judged by modest and realistic standards they have had some success.

As hon. members are well aware, the government has, over a number of months, been considering the introduction of a supplementary price stability program in Canada. This subject was studied by the Economic Council of Canada in 1965-66 at the request of the government. The council noted that a formal incomes policy was usually understood to comprise a set of general guidelines for incomes and prices in the whole economy, a means of making these guidelines relevant for individual price and wage decisions, and a means of inducing conformity with the guidelines. The Economic Council of Canada, concluded that a formal incomes policy would not be an effective way of bringing about an improved reconciliation of high employment and reasonable price stability in Canada under normal peacetime conditions.

I agree with the council's view that a formal incomes policy, so defined, would not be suitable in Canadian conditions. The question we have been studying is whether a less formal price stability program could make a contribution, a program which would involve the creation of machinery to provide better information about current trends in prices, costs and productivity, and to encourage greater restraint on the part of those responsible for price and income decisions. Such a

program could clarify for all of us the forces underlying our unsatisfactory price and cost performance, and could analyse special problem areas in our economy to see where improvements could be achieved. We have concluded that a program of this kind should be initiated.

A central element in this approach will be the creation of an independent public agency to study, investigate and report on problems of rising costs and prices. Its functions would include research and the issuing of periodic public reports on current developments in this field. There will need to be arrangements for parliamentary review of the reports of this agency. This role could be assumed by a parliamentary committee, perhaps the standing committee on finance, trade and economic affairs. We believe, Mr. Speaker, that this machinery, working together, could make a valuable contribution to greater understanding of the forces affecting our prices and costs, and bring home to all of us the need for social responsibility in price, cost and income decisions.

We have had some initial informal consultations about some of these ideas with provincial governments and with some business and trade union leaders. The government is now working on a white paper or policy statement which will contain some proposals and which will suggest possible means of implementation of this machinery. The white paper, which is being worked on now, will be available later this year. We shall be undertaking further, more formal consultations with interested parties. A program of this kind, however, will be only fully successful with broad support from business and labour or trade union groups. This support is crucial. This is why full consultation is essential before final decisions are taken as to the exact scope and nature of the program. The government will also wish to see the report of the task force on labour relations, or the Woods task force, before making final decisions, since this is one of the subjects the task force has had under consideration.

I know that some people, both in labour and in management, are less than enthusiastic about a program of this kind in Canada. Some, I believe, are inclined to judge it in advance on the assumption that it is the British program or the American program, or some other imported program. We have, however, to design a program that suits Canada's business and labour structure, that suits Canada's economy, open as it is to international forces, and that suits Canada's federal and parliamentary system of government. I hope people will refrain from pinning labels on this program, labels from other countries. There is no doubt at all in my mind that the public generally are strongly in favour of action by the government in this field of stabilization. I would urge members of interested groups to remain open-minded while we prepare our white paper and prepare for our consultations with them.

• (3:00 p.m.)

The success of this program will depend heavily on the quality of those who serve on this new agency. We will be appealing, in the course of working out the policy, to able and experienced people from the universities and elsewhere, to come and give of their time by way of public service in support of a worthwhile cause.

I want to make it perfectly clear that this program will not involve any attempt to introduce price controls or controls on incomes. One merit of our mixed market economy is the way allocation of resources among all kinds of competing requirements is determined by a flexible price and income system. When consumers choose to buy more and more of a particular product their intervention in the market sets in motion price effects which draw more resources into the production and distribution of that product. Similarly a successful, efficient business is able to outbid less efficient businesses for skilled labour and other resources. Price and wage flexibility within the market economy must be maintained if we want, as we do, a dynamic and efficient economic system capable of producing steadily rising standards of living for Canadians, and capable of maintaining and expanding our position in world markets.

This is not to deny that there are special cases where some form of price regulation is desirable. Certain services and utilities, such as railroads and telephone companies, by their nature are more efficient as monopolies, at least for part of their operations. In these cases there is no alternative to the application of statutory rate controls, and where these services are within its jurisdiction parliament has acted to provide for the regulation of rates.

The remarks I have made about the role of the price system are based on the assumption that the system is reasonably competitive. To

the extent that there is monopolistic market behaviour, including collusion and other restrictive trade practices, the role of the market in allocating resources to their best uses is impaired. Moreover, prices that purchasers have to pay may be unreasonably high. The government must be concerned not only with maintaining a reasonable degree of price stability, but also with maintaining competitive market conditions, so that prices to consumers and other buyers will not be higher than they need be. This is the role of the Combines Investigation Act and of the small but dedicated group of officials who administer the act.

I have heard a number of allegations in this house to the effect that the combines act is not being enforced vigorously enough or broadly enough. The fact is that, within the limits of their resources and within the limits of the present statute, the director and his staff are doing a remarkably good job. Those who are not aware of the extent of activity in this field would do well to read the latest annual report of the director of investigation and research which I tabled in this house on October 15 last.

Perhaps I should remind the house that the director of investigation and research is in a very real sense the watchdog of parliament and the public in the matter of competition policy. He has a statutory duty to undertake an inquiry whenever he has reason to believe that the Combines Investigation Act has been, or is about to be, violated. In this role he has a high degree of independence.

If there are hon. members who feel that the resources of the branch are inadequate, I would have to agree. I would have to say the same about some of the other branches in my department, and no doubt most other ministers would feel the same about the resources available for some of their programs. As a member of the government I support fully the severe measures that have had to be adopted to limit the growth of government expenditure, but we have to recognize that these economies cannot be achieved without some cost in terms of the services we can offer to the Canadian people.

We do not find in the Canadian market, or in any other market, one category of companies that are absolute monopolies, with all the rest operating under conditions of perfect competition. The vast majority of businesses in Canada are found between these two extremes. They operate in varying degrees of monopolistic competition from one end of the spectrum to the other. While perfect competition may be the ideal, it is rarely attained in practice outside of certain commodity markets where the numbers of buyers and sellers are very large. Our objective has to be to maintain workably competitive situations, to prevent price-fixing and other forms of collusion, and to prevent unfair trading practices likely to reduce the degree of competition by driving firms out of the market.

The fact that many of our manufacturing industries consist of a small number of dominant firms often means that there is a pattern of price leaders and price followers. The price leader establishes a new price and the others follow. Sometimes this takes place within a matter of days or even hours. This does not necessarily mean that there is collusion. The combines staff watch all such situations carefully and consider them against the background of the particular industry as they know it.

A common criticism of the Combines Investigation Act is that it stands in the way of mergers or other arrangements that could lead to increased efficiency through economies of large scale production. This matter is not so simple as some critics imply. An important question is whether in each case the benefits of increased efficiency will be passed on to the public.

Another question is whether the firm concerned is in fact operating at less than the optimum scale. There is a good deal of loose talk about scale in the absence of evidence as to the ideal scale for a particular industry. Fortunately we are beginning to see an increasing flow of economic studies of scale and specialization in Canadian industry, stimulated by the work of the Economic Council of Canada on this subject. Under the present act, when the director examines a merger he is obliged to consider whether competition is, or is likely to be, lessened "to the detriment or against the interests of the public." In his annual reports the director has outlined a number of economic factors and questions he takes into account. These demonstrate that he does not limit himself to a narrow legalistic approach. Moreover, he is always prepared to listen to any proposals and give his opinion as to whether a particular course of action would be likely to necessitate an inquiry under the act.

I hope no one will take these remarks to reflect complacency about the present state of

the law. Competition needs to be enforced more effectively in Canada, and the present act is imperfect. Its coverage is not broad enough; many important services are outside its ambit. Based as it is on criminal law, it involves elaborate and lengthy court procedures with a heavy burden of proof resting on the crown. When a case is tried the court must either find that there is a criminal offence or else acquit the accused. The court is not entitled, nor qualified, to temper justice with a judgment about the economic impact of a restrictive practice on the community. The problem of dealing realistically with mergers is related in part to this element of rigidity. Needless to say, my officials and I have our own views about a number of ways in which the act should be improved. We are awaiting with interest the report of the Economic Council of Canada on this subject. We hope and expect it will deal constructively with the areas of weakness in the present act. I am in any case determined to propose a series of major reforms in this legislation after we receive the council's report.

Another major influence on competition and efficiency in Canadian industry is the tariff. Tariff reduction is one of the economic remedies provided in the Combines Investigation Act. Historically our relatively high protective tariff contributed to many of the weaknesses that still exist in our manufacturing industries. It encouraged the development of a branch-plant pattern in manufacturing, with the Canadian plant typically emulating its parent by attempting to produce a full range of that company's products. The inevitable outcome has been too many small scale operations and unduly high costs. There is a good deal of evidence that the height of the tariff has also contributed to the emergence of monopolistic conditions in Canadian industry. It is clear that the use of the Combines Investigation Act to enforce competition has to be related to and supported by complementary tariff policies.

• (3:10 p.m.)

The subjects I have touched upon today, Mr. Speaker, are all interrelated. They are by no means the only factors that affect our competitive position and our price performance. Many other policies must also come into the picture—our programs for manpower training and mobility, our grants to encourage research and development, for example. The house is familiar with these and I do not propose to review them. I have concentrated on two main elements, price stability and competition policy. The main point I want to make is that we must not only do what we can to encourage restraint in regard to increases in prices and costs we must also ensure consistent and vigorous use of all programs that can contribute to a more dynamic, competitive and efficient economy.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, in rising to take part in the budget debate I intend to deal positively in an approach to one of our major industries in western Canada. Before doing so I should like to comment on a question I asked this morning. I feel that it would be expedient for me to do so at this time. I have in mind the answer of the Minister of Finance (Mr. Benson) in reference to medicare.

We in this house remember when the Liberal party brought in their medicare program. We well remember that at that time Miss LaMarsh said it would be something like the castor oil treatment: open your mouth, you are going to get the treatment whether you like it or not. We were under the impression at that time, rightly or wrongly, that the federal government would pay 50 per cent of the cost and 50 per cent of the cost would be paid by the provinces. Even on that basis I raised an objection because I have always taken the position that the government of Canada cannot legislate programs and thrust them on the provinces, particularly when the province must pay 50 per cent of the cost. The situation is even worse when the federal government turns around and not only requires the provinces to pay their 50 per cent of the cost but also the other 50 per cent.

The new formula announced at the conference between the federal and provincial governments was a real shocker. The federal government probably had it in mind all the time. We are now informed that the federal government intends to opt out of this program. At one time the provinces used to opt out, but on this occasion the federal government is opting out. It has handed the provinces a package and the provinces are not only going to have to pay their 50 per cent but the federal government's 50 per cent. The minister said this earlier in a sophisticated manner. This supports my feeling that we should always accept his words as having two meanings.

Having regard to the 2 per cent tax, or whatever it may be, in relation to medicare, the minister has said that he will look at it to

see that whatever the government's share of the cost is it will be passed on in the form of revenue to the provinces. What he is really saying is that he will probably take 17 per cent or 20 per cent of the tax collected for this particular purpose and suggest that is the allowance for the provinces and if they cannot live within that amount they will have to put up the balance.

The minister shakes his head. I want the record to show that he has shaken his head because I know the provinces are shaking in their boots and provincial treasurers throughout the country are very worried about this plan. It is too bad but I think the time may come—I do not encourage this—when the provinces will join together and say to the federal government, we are not going to accept this type of plan. The federal government is now thrusting a plan upon them much like the plan that was thrust on them in relation to property and civil rights which are under their jurisdiction. The government said it would pick up the tab for 50 per cent but it now says that the provinces must handle the whole thing and pay 100 per cent. That is not good enough, and it is not acceptable just because the Minister of Finance was not able to calculate within reason how he would manage a balanced budget.

I should like to hear from him on this point at some time. Perhaps he will give us an explanation, assuring the provinces. He may shake his head, but I hope he will say categorically without any of these sophistical reservations that the federal government will pay 50 per cent of the cost and will not come crying here about it being the cause of deficits. Surely he cannot blame the provinces for this fact when it is the government's own grandiose scheme that is responsible.

Before I comment about the petroleum industry I should like to say I listened with great interest to one of the most able lectures that has been delivered outside a law school, that delivered by the Minister of Consumer and Corporate Affairs (Mr. Basford). It was just a lecture and it was read quietly. He broke the frozen silence of his department and gave us a summary of what has been put under one roof. The minister knows that this department has had no effect in controlling the cost of living in this nation. Nor did he indicate any solution his department or any other department has in relation to controlling costs, whether they are the result of high interest rates or high costs of living.

[Mr. Woolliams.]

In any event these high costs are having a serious effect on the old age pensioners and others who are tied to that type of income today. The government has forgotten these people; they are the forgotten people. I cannot remember what the increase is in relation to the increased cost of living that these pensioners are allowed, but the minister certainly knows that the old age pensioner today is chained to an economic system within which he cannot live.

We have heard a great deal about poverty in Biafra. The Minister of Transport (Mr. Hellyer) is at this time conducting a task force tour across the nation. He must be receiving many shocks as a result of the poverty which exists in Canada. The people who are existing in poverty, living in low class housing and suffering this terrible and horrible standard of living, are the old age pensioners, our senior citizens, who are chained to the inflationary economic programs of the government.

The minister can talk as much as he wants about his sources of revenue, but he is perhaps forgetting a most important principle. If you increase trade you increase demand, and when you increase demand you obtain greater supply because production can accelerate. In this way you obtain greater revenue and do not have to bring in a high taxation system. That was the philosophy of this government during the election campaign. Many of the candidates said the government was going to pay as it goes. What they really meant was that the people of Canada would pay and the government would go. That is really the government's philosophy.

Mr. Forrestall: They have not got the courage to raise taxes to pay their own bills.

Mr. Woolliams: That may be true. I have made reference earlier to the grain industry. We warned this government for months about what was happening to grain trade. The government just sat in silence. The minister is now leaving. Of course he must leave, because he cannot stand the heat. Whenever it gets hot he has to get out of the chamber.

Canada is an anomally in the world today. We are currently producing over 200 per cent of its consumption of crude petroleum; yet we have a net deficit in this country of over $200 million per year. There is need for a new oil policy, and that need is essential. Let me pause here for a moment to indicate that in 1960

and 1961 the government of that day established a national oil policy. There has not been any change since that time. The circumstances have changed and economies have changed not only in Canada—I have in mind development, consumption and other factors—but throughout the world. This government leans on the fact that we have a national oil policy, but it never really admits it was the government of this party that implemented that policy. That policy now requires upgrading and change.

On October 1, I directed a question to the Minister of Energy, Mines and Resources (Mr. Green) regarding oil policy. I asked him whether there had been a cut-back and he said, as reported at page 625 of *Hansard*:

—the national oil policy is a matter of continuing negotiation—

There is no question in my mind that there has been a unilateral decision by the United States in reference to cut-backs on the importation of crude petroleum from Canada. This government will not admit that there were no negotiations or no attempt on their part to negotiate.

In this regard I should like to read the following from the Calgary *Herald* of September 28, 1968:

• (3:20 p.m.)

United States action which could cost Alberta export sales totalling close to ten million barrels of crude oil in the next three months, has created new tensions in Ottawa, Washington and the oil centres of North America.

U.S. companies which import Canadian crude have been "requested" by the U.S. oil import administration to cut back their purchases during the fourth quarter of 1968—

The United States made the request; Canada danced to their tune. There has been no suggestion anywhere, either in the answers to questions by the Minister of Industry, Trade and Commerce (Mr. Pepin) or the Minister of Energy, Mines and Resources (Mr. Greene), that there have been any negotiations with the United States, and there has been no suggestion of any protest to that country in respect of the cut-back in our exports of crude petroleum. The article continues:

Bonner H. Templeton, New York, manager of Mobil Oil Corporation's crude oil department, told the board his company has been subject to restraints on importation of Canadian crude since 1963, and had already been asked by the authorities to reduce its purchases "substantially" during the last quarter of 1968.

This was stated before the conservation board in the city of Calgary; yet when I asked the Minister of Energy, Mines and Resources and the Minister of Industry, Trade and Commerce about it I was given the wishy-washy answer that it has always been subject to negotiation under the national oil policy. The fact is that the government never negotiated in this respect and has never protested what has occurred. It has just stood back and lost the petroleum market, in the same way as it stood back and lost the grain market for western Canada. And these are both billion dollar industries.

I have never been one to stand in my place and criticize without offering a solution. We need a new, dynamic oil policy now. We need a policy that takes into consideration recent developments in the industry and changes that can be expected in the future. What is the situation today? We have a problem in the Near East which affects the oil supply of the world. We see scientific development taking place with respect to the Alberta tar sands. We see a tremendous development taking place in Alaska. Yet no consideration is given by the government to the situation that exists, and it has nothing to say about how the problem can be solved. All we have had is a stupid lecture given by the minister—I have used an adjective I should not have used—such as is given in law school.

The minister talks about controlling prices but he offers no solutions to the problem. We are given quiet little lectures which are written by quiet little people in the department. This is the kind of speech to which we have been subjected. We must increase our exports in this area before we can arrive at any solution to the problem. The average daily production for 1967 was 1,098,000 barrels. The average daily consumption during 1967 was 1,294,000 barrels. At the end of 1967 the estimated potential productive capacity was 2,650,000 barrels per day. During 1967 Canada imported an average of 200,000 barrels per day more crude oil and products than it exported. At an approximate laid down price of $2.90 per barrel, this contributed a net annual deficit of approximately $200 million to Canada's trade imbalance. For every thousand barrels per day of Canadian crude produced and sold, there is an approximate saving of $1 million per year in the trade deficit.

If the $200 million were spent in Canada for Canadian crude oil it would have a total effect on the Canadian economy, through

secondary and tertiary industries, of approximately $700 million annually. Therefore we would increase the gross national product and obtain more tax revenue. Instead of increasing rates, we could have a bigger share of the market and keep the rates at the same level. As I have said, if the $200 million for imports were spent in Canada for Canadian crude oil, it would have a total effect on the Canadian economy, through secondary and tertiary industries, of approximately $700 million annually.

Two major Canadian banking institutions have calculated that the multiplier effect of money generated in the natural resources sector of our economy is approximately 3.3. Canada loses on every barrel of imported crude oil, not only through the foreign production profits that remain offshore but mainly because each barrel of Canadian crude oil pays over $1 per barrel in the form of taxes and payments to the Canadian government. Therefore, to the extent of Canada's crude oil imports payments are received in foreign countries, and if these imports were replaced by Canadian oil it would result in such benefits being received directly by the citizens of Canada. This industry would go a long way to make up our deficits. Canada loses, on the importation of oil, the production costs and $1 in the form of taxes and payments to the Canadian government on every barrel of crude petroleum.

This is the situation. When the national oil policy was developed there were negotiations by the then Conservative government which stepped into the field because at that time, as a result of the Suez crisis, our exports of crude petroleum and other oil products had fallen off. The then minister of trade and commerce, the hon. member for Prince Edward-Hastings (Mr. Hees), and others worked out a plan with the United States so that we would export this commodity to the northwest United States and permit crude petroleum to come into this country from Venezuela, which market is financed by American interests. It was agreed that they would have the eastern market and would export to the northeast United States.

As I pointed out to the minister in the late show on October 1, our exports of crude petroleum, have been reduced by at least 10,000 barrels per day because of the unilateral decision of the United States. While their imports into Canada from that country are increasing, our exports to the United States are growing smaller. The Minister of Finance should walk up and down and think about this situation.

In this connection the government should take a positive step and do something to solve the problem. The government should face the fact that the United States made a unilateral decision in this respect and has cut back our exports. Then it should say: We will send a negotiating team to Washington to arrive at a solution to the problem. The government should send a negotiating team to Washington, rather than sending ministers to South America which means they are never here to answer questions in the house.

The minister should discuss this problem with other members of the cabinet and make certain that our petroleum industry is protected. It is a pretty sad state of affairs if we in Canada cannot protect this most important industry. Even with our exports to the United States, without the cut-back and with the greatest domestic consumption in Canada, our industry is operating today at a production level of only 40 per cent. In other words, we could produce another 60 per cent in this industry and stay within the rules of conservation in the provinces. Now we are bringing into Canada millions of dollars worth of crude petroleum, $200 million a year, which aggravates our balance of trade situation.

What would the grain growers of this country think if we, as a wheat exporting nation, were to import $200 million worth of wheat? I know that the argument put forward is whether we can economically bring the crude or refined petroleum from western Canada into the Montreal area, but the experts point out that we could transport oil to the eastern market and compete with oil coming into this country from Venezuela. If this is true, the government should surely do something to correct the situation, and it should do it now. This should be done, rather than giving wishy-washy answers and trying to sweep the problem under the carpet.

There is nothing wrong, politically, in getting up and saying that the United States has unilaterally cut back our exports and that the government is pleased the opposition has brought the matter to its attention. Then the government should say: We will send a negotiating team to Washington and work out an arrangement. This is the kind of government I thought the Canadian people might be electing under a young man in the last election. However, I have seen no sign of this happening. Mr. Speaker, I hear the hon. member

across the way saying something. I do not know what he is muttering about; he is all greased up.

The western Canadian petroleum industry, exclusive of refining and marketing, currently spends approximately $1 billion a year, over 85 per cent of which is spent in Canada, for goods, services and payments to government. Of the major expenditures made for oil and gas pipe lines, gas plants, fittings, pressure vessels, pumps, etc., over 80 per cent was spent in eastern Canada, a large part of which was in the province of Quebec. The majority of these capital expenditures were made in Canada as a result of tariff protection. With that we have no quarrel, because some of our secondary industry needs protection.

• (3:30 p.m.)

At least 75 per cent of the capital expenditures on the $235 million tar sand plant was spent in Canada, a major portion of which was spent in Quebec. Eighty five per cent of the capital expenditure of a typical western Canadian gas plant—Homeglen Rimbey, which costs $18 million—was spent in Canada, of which the substantial portion represented purchases in eastern Canada. So this industry not only means a lot to western Canada, it means a lot to eastern Canada and to the Canadian economy generally.

The royalties paid to Alberta, British Columbia and Saskatchewan benefit Canadian taxpayers in savings to the federal government in federal-provincial equalization payments, in the words of the minister.

Today Saskatchewan is a have province, but only a short time ago it was a have not province. Alberta is a have province. These are have provinces because they have now developed a philosophy with regard to the development of our industries and the increase of our gross national product. It is only then that the nation will have the kind of revenue that it needs so that its citizens can live in dignity, and then perhaps the word "justice" might have some meaning.

What about the taxes received from federal and corporate profits? That in itself is substantial. The direct result of oil, gas and associated mineral development in western Canada has removed both Saskatchewan and Alberta from the provinces currently receiving equalization payments.

The national oil policy resulted in an agreement whereby we would export to the northwestern United States, while we would permit imports of crude from Venezuela. How did this come about? It has come about because, as my good friend knows, in the course of negotiations the United States said: "If we cut off imports of crude petroleum from Venezuela we would be fostering communism in that area and the financial interests of the western world would suffer. If you allow us to import crude petroleum into the eastern market, we will give you markets in western and central United States". So let us follow through the negotiations with the United States. I am not complaining about the United States; they are good, sound businessmen and they will listen to us because Canada is their best customer. This is the plea I make to the government, and it is not made in the form of criticism. It is the kind of positive approach which I thought I would hear in this debate from the government, either with regard to wheat, to industry or to petroleum. However, that is all forgotten.

I suggest the government is permeated with socialistic thinking, so that all they can see are grandiose programs paid by grandiose taxation. What I say may sound like conservatism, but let me say that I listened to a very fine conservative speech from another member from Calgary, the hon. member for Calgary South (Mr. Mahoney) who spoke last evening, and I want to congratulate him on his maiden speech. I advise everyone to read that speech. I hope that what he said in the house he also said in caucus, but I hope he said it there more forcibly to those ministers who are socializing with socialists.

An hon. Member: Oh, do stop it.

Mr. Woolliams: My friends say stop it. They can never stand this, but they are better off in the opposition than they were on the government side because you know what happened when we tried this experiment in the province of Saskatchewan when it was a have not province under the government of Thatcher, who, I am glad to say, is a Liberal premier. Now that province is a have province because capital came in there to develop the province's industry as a result of the confidence of investors, as was the case in the province of Alberta.

I always say to my socialist friends that I can never understand them because surely after the experience in Great Britain the people can consider they have suffered enough.

Mr. Gilbert: What about Sweden?

Mr. Woolliams: I have been to Sweden. If we were to compare Sweden's gross national

product and their standard of living with ours, I would put Canada ahead of Sweden any day. That is my answer so far as this is concerned.

Mr. Speaker, in the short time that I have left I should like to make several recommendations. The government must get off its butt right now and review the national oil policy, in the light of the changing circumstances which I have mentioned. It should renegotiate a deal with the United States or else tell the United States: Look, you may be worried about Venezuela or about a similar uprising to the one that took place in Peru, and we are also worried about it, but we are concerned about our own economy and we are prepared to allow a certain amount of imports into this country provided you will fulfil the terms of the national oil policy and let us put more into the Toledo, Detroit and Chicago area. I congratulated the government last year when they reversed their previous decision on the pipe line. Now I say they have to renegotiate the national oil policy.

The second recommendation I would make to the government is this. The National Energy Board officials must never be questioned, according to some people. As soon as an administrative board is established in this country, whether it is provincial or federal, it is considered to be a sacred cow. I suggest that the officials of the National Energy Board and the officials of the Department of Industry, Trade and Commerce should be carefully examined by a standing committee of the House of Commons with regard to what took place between the United States and Canada, and what is taking place now so far as the petroleum industry is concerned, because the ministers will not divulge the facts. I do not know why they do not want to do it.

My third suggestion is that I would like to see the Senate go to work. It should initiate a special economic study of the petroleum industry. It should get experts of all types from the independent petroleum association, from independent companies, from U.S. companies and from the Canadian subsidiaries that may be left. Facts should be set down, after which the committee should come up with a sound basic policy to increase our trade. Why do we need this investigation? We have to find out what effect the new Alaska production has on the national oil policy. The hon. member for Calgary South mentioned it in his speech, and I agree with him 100 per cent. It will have a dynamic effect. These are the factors we must consider, and I am glad the hon. member is in accord with me in that regard. What effect does the Alaska production have on the Puget Sound area, particularly now when the largest cut-backs by the United States are taking place? This is dealt with in the September, 1968 edition of the *Calgary Herald.*

Will we be able to make up our loss of exports because of the Alaska production, by increasing exports to the Detroit, Toledo and Chicago area? These are the things that should be looked into immediately. A review of the national oil policy is of utmost importance to the economic welfare of Canada, and more important than considering the burdening of the industry with the Carter tax proposals, which sound good in theory and are quoted glibly for vote getting but could and might at this time hamper Canadian production, development and trade expansion. I can never understand those people who talk about taxing Canadian capital, here there and everywhere, these socialist thinkers who are not only on one side of this chamber. We are always talking about U.S. capital. If the government is going to tax Canadians to death, and that is what it is doing, and if it is now going to start taxing capital, because that is what it recommends, it will sap all the capital from Canadians, and how are we ever going to invest in our own country? That is the problem.

I do not know what kind of campaign the Liberals ran across the rest of the country but I have listened to their candidates in Alberta and found them to be the most Goldwater type of people I have ever met. I am not being critical of the hon. member for Calgary South, and I complimented him on his speech, but I thought that if some of these candidates were elected they might have had some power to direct this government into sound business thinking and to cut out the socialist trends which are ruining the welfare schemes, such as medicare which the provinces already had, and imposing a new plan on the provinces which will cost the taxpayers many more thousands of dollars and will sap more capital from Canadians so they will be unable to invest in their own industry. We have had the Watkins report and we have heard Walter Gordon talking about it, but the same people came in with a budget which is taxing capital, so that Canadians do not have the necessary capital to invest in their own industry. I think we need a new policy with regard to the petroleum industry.

My time is nearly up but I should like to end on this note. Although trade is most important, it seems to be forgotten today because we are so busy designing plans on taxation. I should like the members of the government to come clean before parliament, so far as the wheat markets of this nation are concerned, because they mean a billion dollars to be spent in the industrial centres of Quebec and Ontario. I hope the government will come clean with the opposition, because it is good government when it does, and that is their function. If the government sat on this side of the house, they would be doing the same thing—trying to get the information out. We want to see where we are going with regard to the petroleum industry.

• (3:40 p.m.)

Instead, they misrepresent the facts, as one of the ministers did back on October 1, when he said there was a cut-back but they were going to negotiate. They were going to meet with the industry itself and work out a plan that would give the industry another 10 per cent. Then we could at least say we had 50 per cent production. These are the two major industries. I do not know where your government is going with the Kennedy round, and other deals that were made. I do not know what impact this is having on industry in eastern Canada, but we hear many repercussions so far as that is concerned. We have never been able to debate that situation; it is always kept quiet.

The situation in those three major areas, wheat, petroleum and the industries of eastern Canada, under that kind of dictation, under that kind of control, with that kind of taxation and that kind of socialization, is that things are stymied and no development is taking place. You know, when you look at your budget, and considering the estate tax situation alone, this is what you find. It is all right to pass on your estate to your widow but, under the government's philosophy, you cannot pass on the estate to your children.

I do not know what the rates of taxation are going to be, and will not know until we get the resolution. However, this is what is going to happen. The small farmer who generally passes the farm on to his son, who in turn passes it on to his son, the little man who means a lot to Canada, is going to find that upon his death the family will have to borrow so much money at Liberal high rates of interest they will have to sell the farm to United States interests. Then the government will have another Watkins study, another Watkins report. I say to the minister, let us get on with the job of developing the resources of Canada, let us have some real vision.

Mr. Benson: I should like to rise to a question of privilege, Mr. Speaker. The hon. member said I was leaving the house, but actually I did not leave. I listened with great interest to everything he said. The only thing I did was to get some curtains between myself and the hon. member to protect my eardrums.

Mr. Woolliams: Speaking to the point of privilege quite seriously, I want to apologize if I left the impression the minister did not listen. He did listen very carefully to what I said and I appreciate that very much. When the minister did leave I thought he just could not stand it, so I withdraw any suggestion that he did not listen to my speech. He went back of the curtain to get a message, but he did stay and I appreciate that very much.

Mr. R. L. Whiting (Halton): In speaking today in this budget debate, Mr. Speaker, I rise with a feeling of concern regarding housing and its relation to the welfare of the people of Canada. There is another matter which concerns me also, and it relates directly to the economic welfare of the country. I am referring to the ever increasing number of railway stations which are being closed in many communities, and in many cases those communities depend upon railway service.

Before I proceed, because this is my maiden speech, I should like to take advantage of this first opportunity I have had to pay tribute to some of my predecessors who represented Halton county in this house. I refer to Dr. Harry Harley, who represented Halton so well during the years 1962 to 1968. It gives me great pleasure to mention the name of Mr. Hughes Cleaver, who sat in this house as the member for Halton from 1935 to 1953. The late Miss Sybil Bennett, the niece of the former prime minister, the late Viscount R. B. Bennett, represented Halton as did Dr. Alexander Best, the son of Dr. Charles Best, the co-discoverer of insulin. I am indeed honoured to be the successor to these former members who contributed so much. I look forward to representing the people of Halton in the great tradition of my parliamentary predecessors.

However, I should point out that Halton county, as such, is no longer a constituency.

The Halton riding came into being as a result of redistribution prior to the last federal election. Halton riding now includes the town of Erin in the north, but no longer includes the town of Burlington. I should like to take this opportunity of welcoming the people of Erin to the constituency of Halton. Erin is in Wellington county. I might add that this area is one of the oldest settled sections of the province of Ontario. It is also one of the most scenic as well as being a fine agricultural district. Halton riding now extends from the shores of lake Ontario some 37 miles north.

I should like to turn to housing and its relation to the budget. According to the annual report of Central Mortgage and Housing Corporation, last year over a million dollars in federal funds were earmarked for housing and directly related programs, such as urban renewal and sewage treatment plants. In view of the over-all size of our total budget, it is obvious there is a limit upon how much in the way of federal funds can be allocated to housing. We need more houses. We need more money in order to build those houses if we are to meet the goal set by the Economic Council of Canada.

We must therefore find new sources of money. In addition, we must bring down the per unit cost of housing by a considerable amount. This can be accomplished in part by standardizing building codes and construction standards across Canada. We must also encourage the use of new building materials. Housing therefore is a matter of social welfare, and the federal government has never failed to show leadership but has, in fact, taken the initiative in practically every housing program. The time has come for a reappraisal of federal, provincial and municipal responsibilities for housing. We must decide, along with other levels of government, how the ever increasing demands for housing upon the federal purse are to be met.

I submit that a first step would be the establishment of a national building code. It would be basic in a revised program of housing development, and any expenditure of N.H.A. funds would be contingent upon adherence to this code. The result of such a procedure would be very simple, very strong and very direct. For example, the National Research Council could approve new building materials and they would be immediately acceptable everywhere in Canada. This procedure would relieve municipal officials from the onus of personal decisions. The situation today is that these officials often avoid taking responsibility for allowing new methods or new materials to be used.

A comprehensive national building code would allow many companies to increase their research and construction of prefab houses which could be sold in all provinces. It would enable them also to deal with only one agency, the National Research Council, to get their new ideas and innovations approved. This would immediately decrease the cost of new houses in Canada. This is one positive step which would receive considerable public approval and would further emphasize the government's sincere desire to solve the housing problem. This problem is a complex one. There are many contributing factors which include land costs, construction costs, the cost of mortgages and so on.

• (3:50 p.m.)

Let us put the problem in a somewhat different perspective, Mr. Speaker. Consider a detached house costing approximately $28,500 in Oakville, which is located 25 miles from downtown Toronto. In order to buy one of these houses the purchaser must have a down payment of $10,000 and earn an income of over $8,000 per year to qualify for an N.H.A. mortgage. However, the average family income in Oakville is $6,235, the highest in Canada. Only 15 per cent of Canadians make over $8,000 per year.

This shows us, Mr. Speaker, that very few people have $10,000 cash. Financial institutions apply the rule that the applicant cannot afford more than 27 per cent of his income for mortgage interest, principal and taxes. A man earning $5,000 a year can therefore afford $110 per month toward his house payments if he were fortunate enough to live in an area where taxes were $300 a year, at $25 per month. He could afford $85 a month to pay interest and principal at 8½ per cent with a 25 year mortgage of $10,000. If he saved 10 per cent of his gross income for five years, he should have $2,500 for a down payment, and the total price that he could then afford for a home would be $12,500.

This, Mr. Speaker, poses the question: How many families earning $5,000 can afford to save 10 per cent per year, and where can you buy a house in an urban or semi-urban area for $12,500? A man earning $5,000 must pay considerably more than 27 per cent of his income for shelter if he is to live by Canadian standards. He must pay a proportionately

high rent for an apartment or town house, or for a dwelling where they will accept children, or he is driven to buying a more expensive house on a resale basis by taking a second mortgage, with the likelihood of spending 45 to 50 per cent of his income on shelter.

Such mortgage payments and rents, Mr. Speaker, are a major cause of family breakdown because they take the milk from the baby's mouth and shoes from his feet. They deprive him of proper care, and frequently of the loving care of his mother, who often has to work in order to pay the rent or the mortgage.

The problem as far as housing is concerned is how to provide for or accommodate people in the lower income brackets. This problem must be solved by government action, which must be critical of obsolete methods of land assembly, construction and financing. A broad and enlightened attack on the problem is required. The government must not wait until all the contingencies are considered; the time to act is now.

Personally, Mr. Speaker, I regret that action did not begin with this budget, in the form of a land speculation tax on the resale of undeveloped prime land. Such a tax would be a deterrent to persons who buy and sell land without contributing to the development of the country.

I look forward, Mr. Speaker, to the result of the task force under the leadership of the Minister of Transport (Mr. Hellyer), which is now studying the problem across Canada. As soon as the housing task force was announced, a group of Halton citizens prepared a brief, which was presented to the task force in September. Some of my remarks today, Mr. Speaker, are taken from that brief.

I should like to discuss a situation, Mr. Speaker, that is not peculiar to my riding alone, but common to many constituencies across Canada. This relates to the railroads. I specifically refer to the policy of the Canadian National Railways of removing the agent operators from certain stations and incorporating these stations into what they refer to as the master agency plan. This is being done under the guise of economy, and is supposed to provide a more efficient service for the user.

I should like to point out, Mr. Speaker, that what the C.N.R. is proposing in these communities is not always in the best interest of the people the railway has served. Neither do I believe that it will appreciably improve the financial position of the railroad. Nor does the proposal provide a very efficient service to the public.

I should like to give you a case in point, Mr. Speaker. The C.N.R. is presently making application to the Canadian Transport Commission to remove the agent operator at Acton, Ontario. If this application is successful it will mean the virtual loss of railway service to this community. Acton is a progressive community of 6,000 people located 40 miles from metropolitan Toronto. It is a community that should receive increased railway service, not less. If, for example, the C.N.R. would give this community commuter service, undoubtedly people would move to the community from the congested areas of metropolitan Toronto but would continue to work in the city.

The removal of railway service would have an adverse effect on the future industrial growth of this town, because in many cases industry requires the facilities that are provided by the railway. I might add, Mr. Speaker, that Acton is one of the very few communities which has a favourable assessment ratio of 60 per cent industrial to 40 per cent residential.

I can find no justifiable grounds to abolish railway service in this community, Mr. Speaker. I take strong objection to the cavalier methods used by the C.N.R. prior to making formal application to the board of transport commissioners. It was just over a year ago—on October 13, 1967 to be exact—that Mr. R. T. Vaughan, a vice president of Canadian National Railways, wrote to Dr. Harry Harley, who at that time was federal member of parliament for Halton county, advising him that the first stages of implementation of what the railway call the master agency plan would be put into effect on November 6 of that year. The first stage, Mr. Vaughan pointed out, involved taking away certain work from the station and placing it in the hands of the master agency in Guelph. This included express, freight and telegraph service. The agent would remain on the premises but would not carry out any work. It would be very difficult for the agent to carry out too much work, because in this process they also disconnected his telephone.

This was to be in the nature, Mr. Speaker, of an experimental period which would probably last until mid-January or early February

of this year. Further, the railway stated that following this trial period the whole matter would be reviewed and looked at in the light of whether an application should be made to the Canadian Transport Commission for approval to institute the master agency plan in this area.

Apparently, Mr. Speaker, the matter was reviewed by the railway and a decision made in the light of its effect on railway operations alone. No users of the railway were asked to make any application or express their views on the effect of this re-arrangement of service. Quite understandably, Mr. Speaker, the people of Acton wanted their side of the story to be heard before the application reached the Canadian Transport Commission and the commission agreed to hold a meeting. This meeting was held on October 17, 1968 in the Acton town hall and was presided over by Mr. W. J. Rupert, district inspector of the railway transport committee, and six representatives of the C.N.R.

I will not go into the details of what took place at that meeting, Mr. Speaker. Suffice it for me to say that the railway officials were grilled, admonished and lectured by the people in attendance. Mr. Rupert heard such descriptive adjectives as "shocking", "rotten" and "costly" to describe the service that the railway was giving the citizens of this community. He stated that his report of this meeting would not be made public but would go directly to the rail transport committee.

• (4:00 p.m.)

I submit that this procedure is not democratic and I challenge the right of the committee to keep this matter secret since it affects the future of a town and its people. I suggest that this meeting should have been held long before the phasing out process began. Talking to many of the people who attended the meeting I found it was the unanimous opinion that the decision had been made by the C.N.R. to go ahead with its application regardless, and in spite of, what transpired at the meeting. Its decision had in effect been reached before going to Acton. In other words, the public be damned. I sincerely hope this does not reflect the attitude of the C.N.R. in its activities throughout Canada.

[*Translation*]

Hon. Théogène Ricard (Saint-Hyacinthe): Mr. Speaker, it is a privilege for me to have the opportunity of participating in the consideration of the budget. During those few minutes, I shall try to be as objective as possible, even though some of my remarks or criticisms may not be too agreeable to our friends opposite.

I shall dispense with a full review of the promises and sharp criticisms directed against the ministers in the Diefenbaker government when we were in office, but it is difficult to remain silent about the election campaigns and the destructive criticisms the Liberals directed against the Minister of Finance of that day for showing a deficit in his budget. They promised to the people that as soon as they were in office, the Canadian people would not have any deficit in their budget, that it would be brought back to a more normal size and that, instead of showing deficits, we would have surpluses.

The facts are quite different from the promises made to us during the 1962 and 1963 elections in particular. In fact, since our friends opposite came to power in 1963, they certainly have had plenty of time to implement their promises and to show their ability to manage our country's business. However, today the cost of living is the highest in the whole history of Canada. In fact, according to the most recent statistics, the cost of living reaches 156.6 per cent. This means that a number of small investors and low income citizens have a hard time meeting their expenses at the end of the year.

Furthermore, we are faced with the largest deficit ever known in all our history. At the present time, 4.7 per cent of our labour force is unemployed and, out of this number, 99,000 are in the province of Quebec. Taxes of all kinds are the highest since confederation. The debt per capita is the highest ever known. For the second time in less than a year, personal income tax has been raised. It is the second time that this happens since the Liberals came to power. Postal rates have been increased too and, in some cases, the increase was in the order of 375 per cent.

It is also known that without any previous notice, this government has cancelled the winter works program that enabled municipalities to undertake, during the winter months, very useful works to lessen the evils of unemployment. Is it also to promote the building industry that this government maintains the 12 per cent tax on building materials? On several occasions, we on this side of the house tried to persuade the government of the benefit that would be derived from the removal of this 12 per cent tax, as it

would enable small investors to build themselves a home, but every time we ran into objections on the part of government members.

Everybody knows that this government has always encroached upon fields of provincial jurisdiction. This government will not grant the provinces their fair share of the tax revenue. As a result of such a position, Mr. Speaker, there remains a certain mistrust between the parties concerned; the government and the present Minister of Finance (Mr. Benson) should take a new stand.

Mr. Speaker, as I have but little time at my disposal this afternoon, I should like to talk about something that concerns the riding I have the honour to represent in this house, namely the textile industry.

• (4:10 p.m.)

This is one of the oldest industries in the province of Quebec. In that province, the textile industry provides employment for 52,000 Quebecers. There are plants in all or almost all the cities of the province and it is to be noted that those plants are mostly located in small or medium-sized towns.

This is to say that the textile industry has played along the years a very important part in the economy of our cities. We find a great number of textile workers in towns with a population of 5,000, 10,000 or 25,000 people, and they are the strength of our municipalities. They are home owners, people who have succeeded in saving enough money to build themselves a decent home for their family.

During the years 1960, 1961 and 1962, through the imaginative measures of the then minister of trade and commerce, (Mr. Hees), the hon. member for Prince Edward-Hastings, the textile industry has taken a new lease on life, whereas it was declining before 1960. Thanks to the measures taken by the minister of trade and commerce at that time, this industry found new foreign markets. We were surely entitled to expect that those would be continued. However, conditions today have forced us to realize that the present situation is exactly the opposite of what it was in 1960-62.

The textile industry is now going through a period of uncertainty which is worrying not only the owners of our textile factories, but even more the workers. Mr. Speaker, those are the results of the unconcern shown by the present government towards the textile industry.

A few weeks ago I had the opportunity of meeting the owner of a textile factory in my region who had asked me to his office to discuss the matter.

Since it is always a delicate subject to mention names in the house without being authorized to do so, I asked that plant manager whether he objected to my giving names and figures about his own business. He said: I do not object at all because it is a matter of life or death for my own industry and for that of others also.

That industry is the Yamaska Shirts located in St. Hyacinthe. It has been operating in that city since 1929. Until recently, it had 350 employees on a yearly basis. However, since August last, due to a lack of orders, the management has been compelled to reduce its number of employees by about one half. Should the situation continue there will have to be further cuts in the number of employees according to Mr. Yvon Bolduc, the manager of this firm.

Mr. Speaker, the employees and their families are affected adversely by those conditions which are detrimental also to the well-being of many other Canadians who are entitled to expect from the government more protection than they have been given until now.

If you look for the basic reasons for this lack of work not only in that particular plant but and in many others, you will find that it is due mainly to excessive imports from foreign countries, particularly from communist and Asiatic countries.

I have before me, Mr. Speaker, the findings of a survey by the Canadian Textile Institute which gives not only very interesting information but shows to what extent imports are hurting the Canadian industry.

I would like to quote a few figures from the pamphlet I have in hand.

Canadian imports of large fabrics: cotton, synthetic fibres and wool have increased, since 1963, from 409,663,000 square yards to 478,376,000 square yards in 1967.

We know, Mr. Speaker, that as far as cotton or wool fabrics, are concerned, Canada is in an unfavourable position to compete with foreign products as, in both cases, we do not produce the raw material.

However, as far as synthetic fibres are concerned, Canada is certainly well equipped to maintain a flourishing industry which is undoubtedly to the advantage of the Canadian people.

As for imports of synthetic fabrics, are concerned, I will quote again from that publication. In 1963, we received 97,725,000 square

yards of material from all countries compared with a total of 123,017,000 square yards in 1967. From Hong Kong especially, we imported in 1963, 1,215,000 square yards of material, while those imports reached 11,290,000 square yards in 1967. From Japan, in 1963, we received 24,188,000 square yards of material compared with 42,612,000 square yards in 1967.

How, Mr. Speaker, can one logically claim that by accepting such huge quantities of products on our market, we can hope to maintain especially in the field of synthetic fibres, a textile industry which can meet foreign competition? What are the immediate consequences of those imports? Several plants have shut down already. To mention only one plant which I know quite well, since I worked there several years, the Goodyear Tire and Rubber Company is compelled to lay off 170 of its employees; I have been told that the Victoria Shirt in Arthabaska—and I got the information to me by the manager of the Yamaska Shirt plant in Saint-Hyacinthe—which has some 75 employees—will quite probably be forced to shut down before November 20. The same applies to several other plants throughout the province and to convince hon. members I would like to read part of a letter which I received from the director of the Textile Labour Unions of America. This letter dated November 5, 1968 was written in English and I quote it textually.

• (4:20 p.m.)

[*English*]

Recently we learned with great shock that at least four textile plants located in St. Hyacinthe, St. Jean and Coaticook were liquidating, forcing hundreds of employees into astoundingly growing joblessness.

[*Translation*]

Mr. Speaker, that is the situation in the textile industry.

There is one measure that the government could take; it could protect our workers because according to my information, Canadian tradesmen can get boys' shirts from Thailand at $14.50 a dozen, federal tax included. In Canada it would cost a Canadian manufacturer $26.55 to make a dozen shirts of similar quality. As far as men's shirt are concerned, an importer or a tradesman can get foreign shirts for $18.50, federal tax included, whilst the same product or a similar product manufactured in Canada, will cost him $34.50 a dozen.

[Mr. Ricard.]

It seems to me that the government of Canada has an obligation to give the Canadian workers and taxpayers the protection to which they are entitled and to guarantee that they will be able to continue working in the factories where they gained their experience and where their skills are still needed. If the present trend continues, the textile industry will completely disappear a few years from now, and we will all be sorry to see the end of an industry which, until now, has greatly contributed to the success and development of our municipalities.

It seems to me that the government should adopt anti-dumping legislation which would give our workers the protection they need. In my opinion, this legislation should prevent the entry into Canada of foreign products which compete with Canadian products.

If our Canadian factories can manufacture 24,000 or 30,000 dozen of shirts a year, we should not allow the entry into the country of 24,000 or 30,000 dozens of shirts, or whatever the figure, unless they are appraised at the same price as the shirts manufactured in Canada. That would put Canadian and foreign manufacturers on an equal footing. Unless such steps are taken, I am afraid our industry will sooner or later go bankrupt.

Mr. Speaker, I should now like to make a few comments on the first budget introduced by the Minister of Finance. I do not direct my remarks exclusively to him, because to my mind he is merely the tool of the government. I do not want the minister to think that I am criticizing him personally, but rather the policy he is implementing.

I should like to point out to the hon. minister what same journalists think of his first budget. For instance, I have here an article written by Roland Gagné, which appeared in *La Voix de l'Est,* on October 25, 1968 in which he gives his impressions on the budget of the hon. minister.

In our opinion, it is an injustice, because it is not the average wage earner, who always gets the beating, but the higher wage earner who has the means to pay higher income tax when the financial situation of the state requires it. The least that can be said is that Mr. Benson could have strained his grey matter to a greater extent to find less onerous sources of revenue for the people in the low and moderate income groups.

Further on, Roland Gagné adds:

Mr. Benson should have taken into consideration the high cost of living, the ever increasing prices, as well as the difficulties Canadians face daily in trying to make ends meet. Their income is by no means inexhaustible. The income that remains, once taxes have been paid, is barely sufficient to provide them with a decent standard of living.

And Mr. Gagné concludes by saying:

> Why can the Minister of Finance not be reasonable, why can his tax measures not be fair and equitable for all Canadians?

In an editorial published in the newspaper *Le Droit* of October 23 last, having concurred with the stand taken by the minister towards insurance companies, Marcel Gingras adds this:

> That satisfying measure unfortunately is matched by a mean action which will affect again the small wage earners who are urged to save while invited to subscribe generously to the latest issue of Canada savings bonds. As of now, nothing will be left to the small investors who could hardly save enough money to receive meagre bank interests and others. Every interest amounting to ten dollars or more in the future will be taxed while up to now at least, $100 in interests was protected from the greedy taxation people.

The just society, at that price, becomes extremely expensive and we shall regret having ever wished for it.

Now, here is the opinion of a labour leader whose every day work brings him in continuous contact with the workers who let him know about their needs. This is what Mr. Laberge, president of the Q.F.L. said with regard to the first budget presented by the Minister of Finance and I quote:

> —the two per cent increase in personal income tax, with its $120 ceiling, is a real hold-up against low income people by a government which managed fraudulently to be elected on the basis of a just society.

That is the opinion of newspapermen and a labour leader about the first budget of our good friend, the Minister of Finance.

A lot more could be said about this budget, but since the time allotted to me is nearly over, I would simply appeal to the fair-mindedness of the minister and tell him that many today are the citizens who got fooled by the promise of a just society as proposed by this government.

They even have regrets and are just waiting for the next opportunity to show in a tangible manner their dissatisfaction towards this government.

The Prime Minister, the Minister of Finance and the present Liberal government would be well advised to remember that and to act accordingly. The government should remember that its first duty is to build a society which protects the weak and not the rich and the powerful, because the budget which we will be called upon to pass or reject bears all signs of a measure which, once again, falls on the low income people to the advantage of those who could withstand a tax increase much better than they can.

I ask the honourable minister if he is perfectly convinced that it is in the best interest of the population to tax $108 the married citizen who gets an annual income of $7,000 or $8,000 and to impose an increase of a few more dollars only to those who get an income of $10,000 $15,000 $25,000 or more.

I think that in his inner self, the honourable minister realizes that this is an injustice and I hope that he will use the next opportunity to correct it in order to bring about the just society which was promised during the last election campaign.

• (4:30 p.m.)

[*English*]

Mr. John Roberts (York Simcoe): Mr. Speaker, I know it is traditional for a member speaking for the first time in the house to say a few words about his constituency. I would not wish to break with such a tradition.

York Simcoe is a new constituency, I am a new member, and I am relatively new to the area I represent. It is now my home and I have come to know it well. Those members who have visited York Simcoe know that it is a rural area lying between Barrie and Toronto. They will also know that it contains some of the loveliest land in Canada, from rolling hills to the Holland Marsh. They should know something of its roots in our history; the Scottish and British settlers and the French speaking pioneers, and the Quakers who first inhabited the area. Hon. members will know that more recently it has attracted people from many lands, who have also made their contribution. Its people are warm and hospitable, and it is an honour for me to have been accepted by them, as well as a privilege to represent these Canadians in the House of Commons.

In some ways my previous experience might have led me to attempt to enter political life. As a university teacher of political science I knew the frustration of lecturing about political problems without having to do anything about them. When I entered public service, first as a diplomat, and later as a ministerial assistant, I had some opportunity to deal with the problems facing this country. But I doubt that I would have attempted political office had it not been for the personality and the policies of the present Prime Minister (Mr. Trudeau).

The concept of government, which the Prime Minister espouses, which seeks the active participation of the public in decisions which affect them—a government of involvement—is a vision of Canada which attracts me. This led me to enter public life to give what support I could to the person who I believe understands best the country that, ideally, Canada can be.

Today I should like to speak on the problems and prospects which face regional development in this country. It has become clear that Canada is moving out of an era of welfare politics into a period in which a primary concern will be the programs and politics of economic development. The whole emphasis on the implementation of welfare programs since the second world war—the establishment of a national system of social security—useful and important as these programs have been, has not moved us very far in eradicating the disparities of regional development which exist in this country. After a century of growth almost one quarter of our families in Canada are living at or under the poverty level.

Our past programs have treated the symptoms of poverty rather than the disease. The key to combatting the poverty problem is the channelling of more funds to realize the untapped potential of underdeveloped regions of our country. Their function must not be to provide a permanent crutch, or support, for lagging sectors, but to give temporary infusions of capital which will bring these regions to a level at which they can sustain their own growth and contribute to our national prosperity.

The proposed department of regional development will fail in this task unless it is conceived, not simply as a department of regional development but as a department which is concerned with general economic planning for the whole of Canada. Such a role opens up a whole nest of problems both within the structure of federalism and within the framework of interdepartmental relations within the government. The department of regional development, if it is to succeed, must take on this larger role simply because of the extent of interdependence within our society and our economy.

The whole history of the rural development program, for instance the agricultural and rural development administration, and the fund for rural economic development, is instructive from this point of view. ARDA was originally conceived as a program to deal with specific, *ad hoc*, one shot agricultural programs. An analysis soon indicated that over half the people living in rural areas were not engaged in agriculture. As a result, a program directed simply toward agricultural problems could not deal with the underdevelopment of rural areas. The emphasis of programs shifted from agricultural projects to general projects in rural areas. We then found that even concentration on individual and specific projects was not enough. We cannot rely upon piecemeal plans. You have to look for programs in rural areas as a whole. Therefore we moved to a comprehensive development approach, and this led us to the creation of the $300 million FRED.

• (4:40 p.m.)

At the same time we found that one basic problem in lagging areas was the lack of potential employment opportunities. Consequently, the programs which were designed to improve labour mobility and enhance occupational skills have necessarily resulted in the migration of people from rural to urban areas. We were in danger of solving the problems of rural areas simply by compounding the problems of urban areas. So in the rural development program we have been led step by step to the necessity of regional economic development because we have found that development problems cannot be efficiently dealt with outside this framework.

I suggest that regional economic planning does not make much sense unless it is related to some over-all conception of economic objectives for the country as a whole. Only through such a conception can one keep regional developments operating harmoniously with each other rather than at cross purposes. But of course there are enormous problems in developing a useful system of economic planning in Canada, problems posed by the nature of federalism, by our economic traditions and by our strong interdependence as a trading nation within the North American economy.

Obviously whatever economic planning we have, it must involve close co-operation with the provincial and municipal governments. But one danger of this co-operation may be to remove the planning process from the effective scrutiny of the political process. Planning agreements hammered out in consultation with the provinces would become rigid documents. The House of Commons on the one hand, and the provincial legislatures on the other, will be told that nothing can be

changed since changes would restart the whole process of consultation and negotiation. In other words, there is a real danger that planning for regional development will become, in an exact literal sense, an irresponsible process. Positions will be taken with the provinces by planners and technocrats. For parliaments and legislatures to bring effective scrutiny and control to such a process will be extremely difficult.

We have seen how difficult it is for the public to ascertain governmental responsibility for the implementation of shared cost programs with the provinces. Indeed, the fudging of the lines of responsibility is one reason they are brought into discredit. Many members of this house have indicated their concern at the erosion of parliamentary control which has resulted from delegated legislation. There is a real danger that planning decisions, too, will, in effect, be delegated to organs of federal and provincial co-operation which it will be difficult for the House to control.

The process of planning is not simply a technocratic function. Any planning process, since it allocates scarce resources, involves a choice of means and ends which embody political preferences. Through planning certain groups are helped and encouraged, others are limited in their activity. We cannot avoid political judgments in this process.

It is for this reason that I am hopeful the minister responsible for regional development will engage the parliamentary committee fully in the regional planning process. Political choices—I am not speaking of partisan politics—must inform technocratic judgment.

A second important factor will be the engagement of the people to be affected by planning, in the planning process. The French have had considerable success in this "animation sociale" and it might be that we could well adapt their use of regional and sector commissions to involve labour, industry, consumers, experts and others in the planning process. This public involvement is vital if planning is to succeed. People must be consulted and their judgments must carry weight.

The French government achieves this through 23 sector commissions. These commissions work on preliminary growth estimates prepared in a five-year basis by the "Commissariat au Plan". Since the commission include representatives of administration, business leaders, experts, people from universities and wage earners, they are able to thrash out different opinions and obtain wide agreement on development prospects. The process both overcomes the isolation of government departments, which tend to work in water-tight compartments, and engages public support for planning objectives. We in Canada have to go further, I believe, in involving the parliamentary committee in this kind of work.

Administrators like a quiet life. Civil servants involved in regional planning are not exempt from this general principle. Yet the objective of social participation in planning is to make their life unquiet. It is to ensure that the results of the planning process really do embody a consensus of the views of the groups affected by change. I hope that the minister responsible for this department will ensure that his civil servants will lead unquiet lives in this regard.

The second major problem area for a department of economic development is that of interdepartmental relations.

In most countries—Great Britain and France are good examples—the government departments responsible for economic development sooner or later run headlong into the policies of ministries of finance. The concern of ministers of finance is, after all, fiscal policy and their immediate concern is the short term view of the next 12 months. The view of economic planners is on the five, 10 or 20 year scale. In government, as we know, the urgent often takes precedence over the important. The problem is how to ensure that the planning voice is heard strongly in government councils which are markedly oriented to immediate budgetary and fiscal concerns. To attach economic planning responsibility to the head of government precludes the kind of attention the planning process requires. To attach it to the Department of Finance is to entrust a tender child to a notorious cannibal.

The best solution would appear to be to attach it to a strong minister with easy and influential access to the head of government. This I hope, and I am sure, happily, is the situation now in Canada. What is also required is to make budget making open to the increasing need of public involvement with the budgeting process. A whole mythology surrounds the present budgetary process. A delicious sense of mystery tantalizes those who wonder what the Minister of Finance will do. Obviously some economic decisions being considered by a government cannot be

discussed publicly, since public discussion would in itself have the effect of limiting the government's free decision. Devaluation is a perfect example.

But I believe it would be useful to have in a general way more information than we now receive in respect of the various economic measures the government is considering. The United States, for instance, is able to discuss budgetary proposals in congressional committees without an enormously disruptive effect. It seems to me that we possibly might be able to do the same thing.

At the moment, advice which is too narrowly channelled through one small group of people—and this is what happens at the present time—no matter how able those people are, is likely to prove inadequate. This is one reason I welcome the announcement of the recent appointment of an economic adviser to the Prime Minister, and I hope that one of his jobs will be to provide an assessment of Canada's economic policy apart from the views of the Department of Finance.

It would also be helpful if the forecasting services of the Department of Finance were improved, and eventually that the government reveal the long term forecasts on which it is working. These forecasts should be treated not as fixed goals which it is the determination of a government to achieve; they should be looked at as "best estimates," and it should be recognized that policies will change as circumstances change and as estimates prove to be more accurate. Such forecasts and policies tentatively framed in relation to them, will give us a much better assessment of a government's performance. At the moment it is too easy to justify economic success and failure as a result of the imponderable factors in unrealized forecasts.

Regardless of the difficulties of the forecasting process, government must obviously come to some view of what the performance of the economy is likely to be over a five-year period as a context for the yearly budgetary program. Indeed, in terms of the allocation of governmental program priorities the government must look at the life of a parliament as a planning period. Government program priorities are linked to budgetary allocation. A budget can only properly be assessed when viewed in the context of the longer period of government legislation and spending plans. I very much hope that the Minister of Finance will take steps—perhaps others than those I have suggested—to open up the budgetary and planning process to greater public involvement.

[*Translation*]

Mr. Speaker, as I speak in this house for the first time, I should like to address a few words to my French Canadian colleagues.

I must say that my concept of Canada is that of a country founded on the equalitarian principles of North America, a country with two languages, two cultures, rich from a material point of view, richer still from the spiritual point of view.

I am convinced that such a concept of our country requires the full participation of French Canada. I wish French Canada the role of an equal partner in the management of this country, and French Canadians actual and not merely symbolical power in the management of governmental, administrative and economic affairs of our country.

To all the members, on both sides of the house, I want to say that I am extremely proud to be their colleague, to sit with them, to have the honour of participating, even in a minor capacity, in the management of the affairs of our country.

• (4:50 p.m.)

[*English*]

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I respectfully request your tolerance and understanding in bearing with me during my first speech in the house. Indeed, while to me it must be a very important phase of my political life, I realize only too well that to you it is but one of many speeches you have heard in your illustrious term of office.

I hope too, Mr. Speaker, that all members of the house will bear with me in what I have to say, as I know that every one of the 264 members who occupy seats here in this chamber have been or will be charged with the duty and honour of giving his first speech in the House of Commons.

It is with a great sense of pride and humility that I stand here and with a weight of responsibility in the knowledge that I represent over 70,000 men, women and children in the riding of Humber-St. George's-St. Barbe in the province of Newfoundland. But I realize too, Mr. Speaker, that whilst my immediate duty is to my constituents, I am also responsible to the half million people of my province and indeed to the many millions of Canadians across our great dominion.

I hope that I may be forgiven if I do not deal specifically with the issue at hand, that is the budget, but what I intend to do is to deal generally with the spending of moneys, as it applies to the nation, by the federal government, and its application in its contributions to the province which I represent, together with my six other colleagues.

If I am critical, it is with respect to those I criticize, not for the sake of criticism alone. I wish to point out what I believe have been very grave errors of judgment, and I hope that some of the criticisms will leave a small mark of recognition on those who are responsible for spending, so that these errors will not be repeated in the future, to bring about the suffering of those who can least afford to suffer.

Due to my somewhat modest military background, in assessing the capabilities of the present government I cannot for the life of me understand their approach to the administration of our country, and I was immediately struck with the fancy military cliches reflected in the government's plan of operation. I refer to cliches like the war on poverty, task forces, training and mobility, strategy, and many other military terms. I would not be surprised if any day now we were to see a platoon of 29 ministers march into the house in the new green uniforms. If indeed the government intends to use military strategy in their attack on the country's problems, may I remind them of the fundamental military term, "appreciation of the situation". May I also remind them of such fundamental terms, which they seem to have forgotten, as basic training, common sense, sincerity, fundamental planning, and the important term, leadership.

With the change in the high command, they have started a change in departments. Let me remind them that if they are going to start playing soldier they are not going to fight the war on poverty by creating new departments. They are not going to overcome neglect, regional disparity, unemployment or the lack of housing by attacking these problems with task forces or by overstaffing their offices with research experts, psychologists or sociologists, by computers, or by looking at maps or reading statistics. They can only find the solutions by using their basic training knowledge or by looking over the ground.

You cannot solve the problem of housing in Newfoundland by sending task forces to the capital of the province and asking questions of the very people who caused the problem, that is the provincial government. You can only solve the problem by visiting the village, the settlement, the town or the community where the problem exists, and has existed for 20 years, due to ineptitude and political waste. You cannot talk training and mobility to Newfoundlanders who have been deprived of an education, due to apathy and complacency of government. You cannot talk centralization and reorganization to people who have been discriminated against, and who have never been afforded the common everyday basic services which should be their basic right. You cannot solve problems by thinkers' conferences and seminars and by preparing fancy reports; you can only solve them by getting to the grass roots of the problem and using a bit of common sense. You can only solve them by getting your hands a little dirty and your feet a little wet.

No, Mr. Speaker, our government has created a Frankenstein and has become so absorbed in creating royal commissions to tackle problems, royal commissions which after years of time and millions of dollars only tell them in the end what they knew when they started, that there is a problem. And nine times out of ten the government disregards the report, anyway.

I like the report on poverty of the Economic Council of Canada. After hundreds of pages, five annual reviews, 32 staff studies, five conferences, after presenting seven papers and nine other reports, they came up with the statement that poverty is real. What a stroke of genius! Is there anybody in this house, in the press gallery or in the visitors gallery who did not know that poverty is real? Do not the five million poverty stricken Canadians know that poverty is real?

I liked reading a couple of months ago of the grand celebration the government had here in Ottawa when, with great fanfare and publicity, the Prime Minister by the mere pressing of a button launched a new machine that tells us how many children are born each day. How much did this wonderful invention cost? But let me suggest to the government that they invent some new attachments for that machine which will tell them what happens to the babies born in depressed areas who will be deprived of an education. Let them find an attachment that will tell them what happens to those children who grow up without an education and cannot find jobs. Let them attach something to this machine to

prepare these babies for the neglect they will find in the fishing settlements of Newfoundland, where people do not have such bare necessities as water and sewerage, lights and telephones, doctors and nurses. Let the machine tell these babies how they can learn to understand the look of disillusionment and despair in the faces of their parents, when they are old enough to understand.

What is the purpose of all these royal commissions? Let us consider first the commission on the status of women. Why are thousands of dollars wasted to investigate the status of women? Why the waste of time and money when everyone in the country knows that any woman can become anything a man can aspire to become? Are there not women doctors, lawyers, professors, scientists and mayors? Are there not women members of parliament and senators who help govern the country? I would even go farther and admit that women can achieve what no man can: They can produce the children that we hope will grow up to become better clothed and fed and educated, and to become better leaders of our country. But let them also be reminded that they are mothers and that they should bring up our children by example and, before it is too late, prevent the diseases that are infesting our youth with glue sniffing, hippie-ism and rioting which I feel is getting out of hand and, if we are not careful, will result in the decay of our youth of the future.

Here we are in a state of financial chaos. The other day I read in *Time* magazine about the general and his lieutenants going off on junkets to Latin American countries. They are going on a month long mission to Latin America, on a belated voyage of exploration, to look into the all important aspects of our relations with Venezuela, Colombia, Peru, Chile, Argentina and Brazil, and other Latin American countries. They are going to have a shuttle service between Ottawa and Latin America.

Did anyone ever hear of anything so absurd? They are making a mess of running their own country and here they go looking for trouble in other countries. They cannot solve their own basic problems and they go looking for new ones. I say to them in all sincerity, let us clean out our own backyard before we go trying to solve someone else's problems. If the Prime Minister wants to go on a voyage of exploration, let me take him on a voyage to my district in Newfoundland to look into the all important relations with the most neglected part of Canada. I will take his cabinet on a voyage which will make them hang their heads in shame.

• (5:00 p.m.)

First, let me take the Minister of Finance (Mr. Benson) on a junket. I will show him waste in spending which results from his and his predecessors' neglect by pouring millions of dollars into the hands of an incompetent administration. This waste resulted from neglecting to exercise control of spending. Let me show him a 500 page report by the royal commission on the economic state and prospects of Newfoundland. If I may quote from this financial report, we find that the consultants said:

> In this study on the Newfoundland government the consultant had the greatest difficulty arriving at a complete picture of the current financial picture of the government.

The report continues, Mr. Speaker:

> In examining past budgets of the government of Newfoundland, one cannot fail to note the incomplete and extreme confused nature of their contents.

Then, later, we find this:

> Government expenditures have been allocated without any formal reference to a measured economic situation or to anything but the most vaguely and inadequately defined prospects . . . No attempt has been made to performance budget nor to relate expenditure over the years with their effects on development.

This should be worth while reading for the finance minister. In addition, I can show him a debt of $509 million, and a projected debt of $1 billion within the next four years. We don't know the meaning of the word thousands any more in Newfoundland; we speak only of millions and millions. Within a short time, it is going to be billions and billions. The finance minister says he will balance his budget next year. Does he want to make a bet? What portion of this debt will this government have to pay when financial oblivion is evident?

Then, Mr. Speaker, I should like to take the minister responsible for housing on a junket across my district. I would show him the need for homes. I would show him nine, 10 and 11 children sleeping in one or two bedrooms. I would show him a home described by a Newfoundland newspaper which the minister of supply and services (Mr. Jamieson) should know well, the Newfoundland *Herald*.

This situation was described in the newspaper with the following headline, "Family Discovered in Shocking State". Nine people in

that city were existing in Biafra-like conditions. While we are flying over the wild blue fog in our Air Canada plane or travelling on the Newfoundland railway bullet, or in one of the new buses, the minister can read about this family in a tiny, fusty smelling kitchen with a dirt floor, and a stove condemned by the fire inspectors. If he does not believe what he reads in the newspapers, then I will show him an official letter from the department of health to a landlord. This letter resulted from my request that the department inspect a home I visited, where I saw an infant with rat bite marks. I will quote one paragraph of the letter for all to hear:

> It was reported to us that the apartment, and indeed the whole building was crawling with cockroaches. We had an inspector visit the premises right away and he found a cockroach infestation far worse than anything any of us had ever seen before. There is also evidence of rats infesting the premises.

Then, Mr. Speaker, after I shuttle these two ministers back to Ottawa for their turn on the question period, I will take the minister responsible for regional development on a trip because I want to show him a part of the Atlantic region he overlooked when he made his speech in Halifax last week. I want Newfoundland to get in on this great 15 year development plan to overcome regional disparity and create new industry. I want to show him a district that has been neglected for 20 years. Newfoundland is part of the Atlantic region, too. I want Newfoundland to share in what he says economic development is all about. The minister likes to refer to regional economic expansion. I should like to find out what he means when he says that the points at which development takes place are widely spread across all regions of Canada. We want to be a part of that dynamic economy; we want to be part of this movement and change. Our concern, too, is that movement and change should occur within the Atlantic region, and not as a result of the attrition of the region.

I want the minister to meet some of the good, hardy industrious Newfoundlanders who want to become a part of his planning to attract new industries; to stimulate and aid the modernization and expansion of existing industries; to find customers outside the region; to structure transportation to aid marketing; to improve productivity and earnings; and to share in the utilities and services that are essential to healthy industrial growth. However, Newfoundlanders might not believe in this wonderful plan because this is what they have been promised for 20 years. They have become suspicious and disillusioned. They have been fooled for 20 years, and the Liberal government reaped the results of that when the island failed to return the guaranteed seven seats. I hope the minister's failure to refer to Newfoundland in his speech was only an oversight. Newfoundland still wants to be part of Canada and we can make a contribution with good planning and leadership.

Then, I should like to take a special trip with my friend, the Minister of Fisheries (Mr. Davis). We will have to spend a little longer, though, because we will have to look into every little fishing village in order to study the complex problems of the inshore fishery. We will have to drive about 600 miles over dirt roads. This is a good time to do so, because the minister will see a depressed group of people who wonder why the greatest brains in the country cannot solve the problems of the fishing industry. I will show him why these hardy people do not want to know about upgrading and retraining methods. All they know is what was handed down to them by their forefathers, that is to take from the sea a God-given natural resource, fish, and try to provide a living for their families. They want someone to help them keep foreign draggers away from their shores and from interfering with their rights. They wonder why we do not have the guts to create fishing limits, why we let these draggers ruin their means of livelihood. They don't want handouts or disguised welfare; they want assistance and leadership in becoming good Canadians.

In order that we will not have to bother some of the other ministers who might not want to go on this junket, I will take the Minister of Fisheries to visit one fishing plant along a 300 mile coast of fishing villages. I will let him see the employees in this plant working for wages far below the minimum wage scale so that he can report to the Minister of Labour (Mr. Mackasey). Then we can visit the post offices and investigate the salaries paid to postmasters and postmistresses, which are ridiculously below anything that is fair and decent. A report can then be made to the responsible minister. Perhaps the minister will believe him, because he would not believe me when I asked a question of him in the house.

Finally, we will investigate the need for wharves and break-waters which have been

promised to Newfoundland fishermen for years, and then ignored. Perhaps a report could be made to the Minister of Public Works (Mr. Laing). The minister of supply and services accused the Newfoundland members of being isolationist in their thinking toward this country. Let me say that if I am being accused of isolationism, then the same reasoning can be applied to national unity, which has been such a touchy subject for many years. You are not going to solve cultural problems by means of round table conferences, thinkers conferences, royal commissions or by sensationalizing through the news media.

Leave the people of Canada alone, I say. We have lived together in unity for 100 years by applying the common sense laws created by the Fathers of Confederation. National unity will result from the feeling we have in our hearts, the way we help our neighbours, regardless of race, creed or colour. We had examples of this during world war II, Mr. Speaker. No one told the French, the Italians, the Ukrainians, the Jews or the many other nationalities that they had to fight for Canada against German tyranny. They did so because they were Canadians.

What better examples of unity do you have than those which we have in this House of Commons? No one told the hon. member for Hamilton West (Mr. Alexander) that he could not represent all the people of his district because of his colour. He will represent them with determination, dedication and pride. No one told the hon. member for Kamloops-Cariboo (Mr. Marchand) that he could only represent the Indian people in his district. Nothing prevented the Prime Minister (Mr. Trudeau) from reaching the highest goal in the Dominion of Canada, that of leading all the people of Canada, because he is French.

The needs of our country are very basic, and the best way I can describe them is to apply the words of the late John F. Kennedy to what I want for Canada. I want a country where every family can live in a decent home, in a decent neighbourhood; where children can play in the parks and playgrounds and not in the streets and slums; where no home is unsafe or unsanitary; where a good doctor and a good hospital are neither too far away nor too expensive; where the water is clean and the air is pure and the streets are safe at night; where every child is educated, not according to his means but according to his capacity. Let us achieve these goals by co-operation and understanding, by determination and leadership. We, as a government, must decide what course we will follow. Let us pray that this course will lead to a great Dominion of Canada.

• (5:10 p.m.)

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, I should like to deal for a few moments with regional disparities in Canada. This gay cavalier that we have for a finance minister shrugged his shoulders and made casual references to disparities among the provinces when he introduced his budget. It did not seem to matter whether these disparities were social, geographic or occupational. He did not offer the germ of an idea for solving the problems of some of the people in this country. He treated Canada as if its population were members of a large affluent club. This club, Mr. Speaker, had suffered some additional expenses, so the minister had decided to raise the dues. It did not matter that these dues fell a little hard on some people. I would suggest to the minister that these dues were particularly unfair to some people who cannot ever hope to become members of this club. The budget should have had some solutions to put forward for those who are faced with problems.

I should like to deal briefly, Mr. Speaker, with the problem facing our fisheries. For 20 years all our fishermen have heard are excuses; their problems still remain to be solved. It does not matter whether these problems relate to freshwater or saltwater fishing. Government solutions have in fact been inept and the budget contains no fresh ideas for tackling these problems. Certainly there have been no ideas on the part of the Department of Fisheries. I suggest that if an official in the Department of Fisheries were given an order book and told to go out and get orders for fish, he would not know what to do with the book. It is high time the government and the Department of Fisheries took the initiative and acted imaginatively to solve the problems facing our fishermen in Canada, whether those problems be geographic or occupational.

For example, Mr. Speaker, the fishing industry needs a Colonel Sanders to do for fish what he has done for chicken. I think it is high time we took a different look at our problems from the one taken hitherto.

Let me give another example, Mr. Speaker, which is really an association of words. If a housewife sees a newspaper headline that

reads: "New government budget has a fishy look", and she goes to market, naturally she will not buy any fish; she will probably buy beef or chicken or some other foodstuff. The businessman, already worried about increased taxation, is not going to eat fish when he goes to a restaurant; he will eat something else.

The hon. member for Surrey (Mr. Mather) had a good idea, Mr. Speaker, and I should just like to quote from a newspaper report I have which set forward this idea:

> Instead of "fish", Barry Mather has tipped Jack Davis, sell it with some "flair and imagination—give it a little supermarket sex appeal."
>
> Call it anything, says Barry Mather, but don't call it "fish".
>
> Call it what it is: Boundary Bay Crab, B.C. Red Spring Salmon, West Coast Cohoe, Gaspe Salmon, New Brunswick Sardines, Nova Scotia Lobster, Athabaska Salmon Trout—

I suggest, Mr. Speaker, that what is required here is a different approach. In effect, we should use modern methods of merchandizing in the fisheries. Fish should be advertised as something that people want to eat. Salesmen in the Department of Fisheries should actually think, eat, sleep and dream fish. They should advertise this commodity so that people want to eat it. Therefore what is required is imagination and initiative, and it is time that something was done.

May I now turn for a moment, Mr. Speaker, to the grains industry in western Canada. This is a highly efficient industry, or could be made into such, but our grain producer is on the horns of a dilemna. If he spends more money on fertilizers, on new machinery or on improving the production of grain, he only adds to the surplus problem now facing our farmers. If he enlarges his input of money and output of production, and then finds he cannot sell that production, then all he is left with are "put-puts" and no money.

Last year, Mr. Speaker, since the international grains agreement had expired the government lost sales to Japan and other countries. The United States and France took them away from us. The government woke up too late, realized that the market had gone, and our farmers now have a surplus of grain on their hands. For all that the Canadian government has done to sell grain, Mr. Speaker, you might suppose that the Minister of Finance (Mr. Benson) and the Minister of Industry, Trade and Commerce (Mr. Pepin) were praying for drought in China. The situation was bad enough last year; this year there is an additional surplus on the prairies. What are the government doing about it now?

We lost some sales last year, Mr. Speaker, and I suggest that we are going to lose more this year unless our Department of Industry, Trade and Commerce gets busy and shows some imagination and initiative in this area as well. We have sent abroad salesmen from the Department of Industry, Trade and Commerce who admittedly have sold a lot of wheat. These people deal with governments and with international trading agreements, and that is fine. But what have they or the government done to sell wheat in the modern merchandizing sense?

Let me give another example, Mr. Speaker. I have been told that the people of India and some other Asian countries do not have a taste for wheat or wheat products in the sense that we in the western world have. Perhaps this product should be prepared in some other way in which they would eat it. For instance, corn could be turned into corn syrup or corn liquor. We might have to use different methods of preparing wheat for sale.

I should also like to suggest that to promote trade with these people we change the form of a product. Let us look for what the market demands, not at what we have for sale. We might also do a little research in other countries and be able to show them whether it is economical for them to buy wheat or to sell rice, or whether it is in their interest to purchase a high protein grain which could be used to more advantage in their country. I doubt whether we have done much in this area. We should actually search the market for ways to enlarge the sale of our products.

We in western Canada, Mr. Speaker, realize that you cannot hope always to sell the total crop that you have on hand. We must be prepared as farmers to carry some stocks in our own granaries as part of our business, if you like. Grain is a important commodity to Canada, and as a nation we might well consider establishing a national food bank, call it a strategic reserve, or what you will.

We might also explore the possibility of selling grain to the sterling areas, or to the Japanese, taking Japanese yen or sterling in return. I will give the house an illustration of what I have in mind. If we were to sell 100 million bushels of wheat, roughly $200 million worth, to Japan and we took the equivalent in yen, then the wheat could be paid for by using some of our supply of gold or U.S. dollars that we have on hand. We could pay the farmers out of this money, and it would not cost the Canadian taxpayer a cent. Admittedly, Mr. Speaker, it might reduce our

manoeuverability economically on the markets of the world, but my suggestion is that it is not in our best interest as a nation to be tied to any one market. If we were wise we would spread our trade among several countries. This is particularly so in view of the internal problems in the United States, with whom a large proportion of our business is done.

Very soon, Mr. Speaker, the Japanese will be holding a world trade fair. What better way could we honour them than by selling to them some of our products, taking yen in return? I have a yen to go to Japan to see that trade fair, and I should like some yen on hand to pay my way when I get there.

• (5:20 p.m.)

I should like to deal for a few moments with the effects agriculture has on the economy of Canada as a whole. Agriculture accounts, I think, for approximately 7 per cent of the gross national product, but believe me there are some sections of the economy which have a great deal more influence on the rest than dollars would suggest. Back in the 'fifties when we had a national surplus of wheat, the first industries in the east which felt the impact were those which were related to western agriculture—industries manufacturing farm machinery and the like. One week end when I was home I went around and asked a number of businessmen what the situation was, at that time, as far as business was concerned. They said: It has been slow this fall and unless larger grain sales are in prospect it will be slower still. When one sees dozens of high priced tractors or combines standing on an implement dealer's lot, it will not be too long before the problem is back in Ontario, or Quebec.

Let me suggest in closing that as we try to solve the problems of our neighbours, as we try to solve the problems of different regions in Canada, we frequently solve other problems as well. But if we are selfish and self-centered, tending to look after a particular area only, the other problems are likely to grow. By helping to solve the problems of other people we can frequently solve our own.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I have the honour, as the member for the riding of Lotbinière, to participate in the debate on the budget which, in this instance, is the first budget brought down by the present Minister of Finance (Mr. Benson) in order to add to what the members of the Ralliement Créditiste have already said in the house on what we think of the budget and its effects.

Mr. Speaker, our country must reorganize itself in the light of the past and the present. We live in a young country, but after 100 years of attempts, successes and failures, we must lay the foundation for a modern country, keeping what has served it well and improving what has failed.

For several years now, in the face of great difficulties and an alert and alarmed public opinion, our governments set up royal commissions on various topics, which commissions, headed by experts, heard the grievances, collected evidence, accumulated statistics, with a view to delineating each specific problem. In the light of those facts, the commissioners produced recommendations to enlighten our legislators in the heavy responsibility of drafting laws.

For instance, we know of reports equally famous and modernistic, such as the Glassco report on the administration of the government which was intended to make that organization more functional, more streamlined, according to modern standards.

We have had the Carter report on taxation, which aimed at redefining and altering the structure of our obsolete taxation system, tax-sharing formulas, and so on.

We have had—and there is still more to come, for it is not yet completed—the report on bilingualism and biculturalism, which deals with the problem of languages, races, cultures and minorities in Canada with a view to presenting solutions which will allow each individual and the whole Canadian people to develop fully, each according to his own means of expression.

We have had the report on foreign ownership and the structure of the Canadian industry. We have had the report on the Canadian banking system.

Mr. Speaker, we do not necessarily have to support all the recommendations found in each one of those reports. Nevertheless, the fact remains that these studies have been made at great expense to the Canadian people and should be used for a concrete purpose, helping us to build a modern country for a dynamic people.

I am clearly under the impression that those studies which cost millions of dollars of the taxpayers' money were only effected to calm down a storm, to suppress a tendency and to justify the inaction of the government.

Private industry, Mr. Speaker, is constantly reviewing its organization, its structures, its means and objects. It is not afraid of development, competition and modernization, otherwise it would run the risk of being left behind.

A private enterprise which would stop developing—as everybody knows and recognizes—could not remain in existence. The same applies, in my opinion, with a few exceptions, to the government.

That is the reason why, it is unthinkable that such serious studies made on such basic subjects should be consigned to oblivion or put off indefinitely.

In the meantime, the government is losing valuable time which could be better used for the progress of Canada. The government is gathering tools, but he remains passive, stagnant. That is not the way to progress, but to lose ground, and the last budget is the best proof of what I am saying. In order to convince ourselves of this, let us scrutinize this famous budget.

A few days ago the Minister of Finance tabled for the information of Parliament the 1968 White Paper on the Canadian economy: review and outlook, and his budget.

It is always an ardous task to read a budget, or a White Paper, because it is highly technical and mathematical. However it always makes for interesting reading since it analyzes a situation which otherwise would be difficult to grasp fully in all its details.

I wish first of all to thank the minister who with the help of his officials has so well depicted the economic situation prevailing in Canada today.

Secondly, I wish to blame him for his lack of solutions to the problems which are at the root of that economic situation.

As in every budget speech—and this one is not any different—no short or long term solution is offered to correct such and such a situation. This is what I regret. In order to find one or more solutions, we must inevitably refer, for instance, to the various reports of the Economic Council of Canada which sets forth the situation in a concise but specific manner, and which puts more emphasis on the solutions.

I shall first refer to the main points of the budget, on which are based the minister's contentions, in order to shed some light on the flagrant contradictions to be found in the present and past administrations.

On the one hand, hourly rates of salary keep on increasing and, on the other hand, unemployment keeps increasing. This trend, Mr. Speaker, has been sustained for twenty years or more. The main feature of our modern economy is the gradual taking over of labour by the machines.

Under our present monetary system, the purchasing power is nearly all distributed in the form of wages, salaries and other means of paying for work done in production or distribution firms. Meanwhile, the purchasing power is necessarily reduced, as manual labour is being replaced by machinery and payrolls are cut down, in spite of an increase in production capacity.

Our economy is subjected to tremendous pressures through unavoidable price increases caused by higher salaries. And these are just as unavoidable, as every worker wants naturally and normally more security for himself and his family, because this security is threatened by automation. As a result, what must come is what learned economists call the higher cost of living—higher unemployment relationship.

• (5:30 p.m.)

When you have a higher cost of living on the one hand, Mr. Speaker, and on the other hand a lower income because the work done by man—not the work done by machines—is reduced, the inevitable mathematical result is more poverty and less buying power. Such is the shame of our economy: "Want in the midst of plenty" as the Créditistes put it.

The former Minister of Labour (Mr. MacEachen) said in the August, 1965 issue of the *Labour Gazette*, and I quote:

> Poverty, wherever it exists, is a threat to everyone's prosperity.

He was right, Mr. Speaker. What a pity that we should be satisfied with just saying so, satisfied with the lure of mere words!

What emerges from this government from the economic viewpoint can be summarized in this very short and accurate expression: "A sea of words, a desert of ideas and achievements".

The guideline of the International Labour Organization set forth by the Minister of Labour of that time must also apply to Canada.

In spite of the fact that most of our fellow citizens are comfortably off, we shall not truly be able to call Canada a prosperous country as long as poverty will exist within its borders. Such poverty, no doubt, exists. In fact, there are people in our country who

have been left behind by progress and who, without assistance, will never get back on their feet. Paradoxically those people can barely survive and the government takes away once more, their purchasing power, under the pretence of social progress, which I fail to understand.

Our governments, for more than a hundred years, have been fooling themselves if they believe as they give evidence of it every day, that an increase in productivity will solve the problem of people being replaced by machines.

It is not a question of protesting against the machine, but rather of making each individual participate in the productivity by giving him his share of production which the machine has developed for him on his behalf.

We have the social responsibility to give the opportunity to each and every one, without exception, of enjoying an honest comfortable living. It is then only that we shall experience the benefits of a just society.

Experts agree that, in order to live, a family must earn at least $3,000 a year. According to the 1961 census, 23 per cent of Canadian families did not earn that amount. On the other hand, the same experts say that, in Canada, more than 4,200,000 persons live in poverty. These figures are provided by the Economic Council of Canada.

That is why, Mr. Speaker, it is illogical and inconceivable to take off another $120 by way of a social development tax which is an added burden on individual budget and the people in the low income brackets. The modern poor is not only cast off by the present system, but he is made to pay the ransom of modern development of automation. To be poor today is not only to lack essential goods, but also to be unable to take part in social activities. Now, if we deprive the poor of his income, how can he take part in the life of our society?

Mr. Speaker, our government had a deficit of $422 million in 1966-67, and another of $792 million in 1967-68. The deficit will be approximately $675 million in 1968-69, but we were told it would be almost $700 million.

Mr. Speaker, government expenditures keep rising year after year. When calculating where each dollar collected by the federal government comes from, we find that the part which is the income tax collected from the little man, from the middle income people, from the one who can hardly make ends meet, also keeps rising.

[Mr. Fortin.]

To make sure, let us look at the following figures: in 1966-67, the federal government was collecting 28.5 cents as personal income tax. In 1967-68, for the same tax, the federal government asked for 31 cents, an increase of 3 cents. In 1968-69, the same tax continues to increase up to 32 cents.

We could make the same comparison with several other taxes: corporation income tax, sales tax, custom duties, taxes on alcohol, tobacco and so on. However, the more money the government takes out of the taxpayer's pocket, the more expenditures increase.

On one hand, Mr. Speaker, production is increasing, on the other hand, poverty and distress increase steadily, which proves that even the increase in productivity will not necessarily solve the problem of poverty and injustice in our society. In fact, that is where we find injustice: the figures quoted are rather eloquent.

Mr. Speaker, in the chapter on perspectives for the period from June 1968 to June 1969, it is said and I quote:

> The economic growth of Canada, in the next twelve months will depend in part on the economic conditions in the United States and certain overseas countries.

Yet an official study was made on behalf of the federal government. It is known as the Watkins Report, tabled by Mr. Walter Gordon, former Liberal minister of finance, who was dismissed and boycotted as his views did not agree with those held by big finance.

> Our Canadian governments are puppet governments. They do not hold the purse-strings.

They have but one power, that of getting more and more into debt, for the benefit of the financial sharks and to the prejudice of the individual. For instance, on page 132 of this same budget document, one can read the following as to the operations concerning the unmatured debt:

> Unmatured debt transactions in 1967-68 reflected an increase of $788 million in unmatured debt outstanding in the hands of the public.
>
> In 1966-67, the increase was of $711 million, which means, less the net book credit, an increase of $792 million of our net debt, for a bewildering total of $16,757 billion.

A deficit of $792 million is a record in rashness and improvidence. Canada is not its own master any more; we are accountants in the pay of a big finance that controls us, controls our life and our economy.

In such circumstances, in the face of the enormous and inexhaustible need for money, slavery can but increase at the service of the god of big finance.

Mr. Speaker, we are in an extremely critical situation and we must find a solution. For us, the members of the Ralliement Créditiste, that solution exists already, if only our hon. friends of the other side of the house would open their eyes.

The Bank of Canada, at the present time, is playing a shadowy role. It mends broken pots and gives the government more rope with which to hang itself, since it is but the toy of high finance.

The Creditistes want the Bank of Canada to be an economic instrument at the service of the Canadian people.

The Bank of Canada must have exclusive control over the money supply. For example, when the interest rates on long term and short term securities fell sharply and the discount rate, after having already been lowered to 5¼ per cent, was fixed at 4½ per cent last April 7, the Bank of Canada, in order to avoid an excessive tightening of credit, for internal as well as external reasons, made possible a rapid increase in the money supply from the middle of 1966 onwards, which led to a marked increase in the liquidities of the chartered banks at the beginning of 1967.

Here is the question we must ask ourselves: Was the money supply increased by the Bank of Canada on the basis of production, taking into consideration the imbalance between production and consumption? I would say, no.

That is why the bond market became less attractive last April, and why the government had to face high, excessive rates of interest for the better part of the remaining period.

Mr. Speaker, my time has almost expired and I shall therefore close on this: Last April, had the Bank of Canada increased the money supply bearing in mind the constant balance between production and consumption, and were the Minister of Finance to turn today to the Bank of Canada as the Créditistes suggest, he would not have had to levy another surtax of 2 per cent to finish off, so to speak, the small taxpayer. That tax is anything but a social development tax; we claim it will help to set off an economic recession.

• (5:40 p.m.)

[*English*]

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, with the time remaining to me—and before I am through you will wish it were six o'clock—my approach will more or less have to be in a shotgun manner. I do not wish in any way to relate this to the gunboat philosophy adopted by the Pearson government not too long ago. It is a well known fact that parliament for a number of years now has been severely criticized. Never before has that criticism been more justified than it has been under this present government. The scheduled absence of ministers, the shuffling about and passing of the buck, as well as other performances here are things which the Canadian people could do without. It is regrettable that in this house members, whose first duty when coming to parliament was to take the oath of office, which includes an oath of allegiance to the Queen, go around speaking critically of the monarch.

We have a Prime Minister who on a public television show said that so far as he is concerned he doesn't care. This is the approach and the attitude of the Prime Minister and members of this government, who have taken an oath of allegiance to their Queen. They go out and try to undermine the very structure of this parliament. We speak of images and hear a good deal about codes of ethics, while at the same time we have the Minister of Transport (Mr. Hellyer), who has made charges of smear outside this house, failing to appear here to make them. I see no reason why he should not be here. He is the master of the art of smearing admirals in our navy, but he does not have the courage to come to this house and back up what he has said outside the house. Why is this minister not held responsible and why is he allowed to make these charges outside the house, when he lacks the courage to make them in the house? If he were to do so it would be necessary for him to stand up to the opposition members, who mean to make available to the Canadian people the developments behind the unusual business transaction in which he was involved. This was an image making transaction, as is very noticeable even by his own press report.

The equipment, so-called borrowed equipment, was made available to him long before the Prime Minister indicated any intention to resign. What was this for? It was to build up his image. After all this, what was that image? We saw the Minister of Transport running around at a national convention holding up the hand of his favourite minister and shouting "Go, Bob, go." That is all the equipment did for him. At the same time he pleaded that a Liberal leader be elected. I wonder how the Prime Minister can sit with him. I

wonder how members of the opposition, considering the smear tactics he used on admirals and servicemen in this country, can consider that what he has brought upon himself is something he should be allowed to get away with. I am not smearing the minister; I am demanding that he come to the house and give a responsible account of the transaction which took place at that time. What is curious about this is that from information available it would appear that the person who lent the equipment never had it, but bought it and had it sent directly from where he purchased it to the home of the minister.

During the unification debate the same minister sat in his seat and allowed his viewpoint to be put across, with the support of a lie brought directly into the house from the committee. This is all in black and white for any members of this house to see. If any member wishes, he may take exception to this; but it is on the record and it will stay on the record. He allowed the unification problem to be solved with the support of lies coming from the committee. This is the type of man who today says attempts are being made to smear him. This is the master of the art. This is the man who tried to smear the servicemen while he jumped around with the unification problem.

It is odd that the present Minister of National Defence (Mr. Cadieux) is setting up a French speaking regiment and is setting up on shipboard all French speaking crews. This is a great record in respect of unification in the armed forces! It is segregation, the direct opposite of unification. Yet, this is the way this government operates. We talk about unification and ethics. Never more were these needed in this house, and never before have they been so lacking as they are in this particular government today. If one wants to know what kind of impression this government is making all he needs to do is read the speeches made by the hon. member for Coast Chilcotin (Mr. St. Pierre) or the hon. member for Halton (Mr. Whiting).

The Acting Speaker (Mr. Béchard): Order.

Mr. Allmand: Mr. Speaker, I wonder whether I might ask the hon. member a question.

Mr. MacInnis (Cape Breton-East Richmond): Certainly. See me after six o'clock and I will give you the answer.

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

Mr. Allmand: Would the hon. member explain why the military vote was so overwhelmingly in favour of the Liberal party in the past election?

An hon. Member: It was not.

Another hon. Member: Smarten up; that shows what you know about it.

Mr. MacInnis (Cape Breton-East Richmond): We are all aware of the undemocratic way in which the people in the forces are being treated with regard to their voting privileges in Canada.

Mr. Lundrigan: Mr. Speaker, I take exception to the hon. member getting up in this house today and making reference to the way in which the people in the armed forces voted. This is a democratic country and they have their rights. The hon. member has no right to stand up here and make such a statement. It was a very undemocratic statement.

Mr. Allmand: I have been accused by the hon. member from Newfoundland of not having the right—

Mr. Lundrigan: The hon. member for Gander-Twillingate.

Mr. Allmand: The hon. member from Newfoundland accused me of asking a question which I had no right to ask. I say I do have the right to ask it because 70 per cent of the military vote was in favour of the Liberal party.

Mr. Forrestall: I rise on a question of privilege, Mr. Speaker, and it is a very simple one. The hon. member for Gander-Twillingate (Mr. Lundrigan) has pointed out that there is sufficient evidence, after all, in Canada today to make us as legislators a little ashamed of the position in which we are placing the servicemen of this country. The service vote is identifiable. I think that is sufficient, and this matter should be left to those who are interested, and should not be raised in the house. It transcends—

• (5:50 p.m.)

Mr. Blair: Who raised the matter?

Mr. Deachman: It was raised over on your side.

Mr. Forrestall: Mr. Speaker, I wish the snake pit would quieten down and let me put my question.

The Acting Speaker (Mr. Béchard): Order, please. I do not think there is a question of privilege.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, in answer to the question asked by the hon. member for Notre-Dame-de-Grâce (Mr. Allmand), I should like to state to that hon. member and his colleagues on that side of the house that at no time did I say anything about the service vote. If hon. members over there want to make accusations, they had better make them about one another, because it was an hon. member on that side who brought up the question about the vote.

Let me also say to the hon. member that it is odd, in this house, to hear him asking questions of me about the service vote. Only a few days ago he asked a question of the Minister of Manpower and Immigration (Mr. MacEachen) about what was being done in his own province for his own people. The question he asked at that time involved a matter which was common knowledge to everyone else in the house.

Mr. Anderson: The hon. member was talking a moment ago about whom to accuse of asking the question about the service vote. I suggest that if he waits until he sees *Hansard* he will realize who that was. He himself has made many accusations about the Minister of Transport, for one, and has suggested—

The Acting Speaker (Mr. Béchard): Order, please.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, in my opening remarks I suggested that hon. members on the opposite side would be sorry it was not already six o'clock. Judging from the activity over there they are sorry it was not six o'clock before I began.

If this government wants to know what kind of impression it is making on the country, and for that matter on members of their own party, they should read the speeches of the hon. member for Coast Chilcotin (Mr. St. Pierre) and the hon. member for Halton (Mr. Whiting). They both had some uncomplimentary things to say about this government.

Perhaps I should also make reference to the former Liberal leader from British Columbia, who found it necessary at the first opportunity to debate a question on the adjournment motion at ten o'clock. This is a time set aside for discussion of answers from the treasury benches which are unsatisfactory to hon. members. In this case we had the former Liberal leader in the province of British Columbia showing dissatisfaction with an answer. That is exactly why the period between 10 and 10.30 is set aside. Surely his participation during this period is an acknowledgement that he was dissatisfied with an answer from the government.

I could range far and wide in speaking about the spending of this government, because there are many places where it has gone wrong. Perhaps the best and easiest example to give is the construction of a doorway in the back of this building next to the freight entrance. Apparently somebody on the Liberal side of this house did not like using the freight entrance which has been used for many years by hon. members. What did this government do? It decided to cut another hole in the wall right alongside a very big door, at a cost of $13,000 or $14,000.

Some hon. Members: Shame.

Mr. MacInnis (Cape Breton-East Richmond): The Minister of Finance (Mr. Benson) sees something funny about this wasteful project. It cost $13,000 or more of the taxpayers money to put a door in the back of this building, where already there is a door which has been used probably since the construction of this building. Apparently it was beneath the dignity of some hon. members to walk out through the freight door, so the government wasted this money.

I should hate to let this opportunity pass without making a reference to the Liberal leader of Nova Scotia who has been running off at the mouth. In case he is not identified easily, he is the childish member for Halifax in the legislature. Those are not my words, but the words of an occupant of Your Honour's chair at an earlier date. Mr. Regan is still acting childish. Every day he has something to say about the expenditures brought about by the development of the heavy water plant at Glace Bay, completely ignoring the fact that the cost of this particular project tripled—which is a pretty good record compared to the increased cost of the arts centre here in Ottawa, which has multiplied by five times.

We never hear from Mr. Regan about wasteful projects supported by this government in Ottawa. This arts centre is a non-productive investment. All we hear from Mr. Regan is reference to the wasteful extravagances of the Nova Scotia government, particularly in respect of the heavy water plant in Glace Bay; completely ignoring the fact that there have been millions of dollars

poured into Glace Bay as a result of the construction of this plant.

Let me say here and now, for the benefit of Mr. Regan and those people he works so closely with, that the development of the heavy water plant in Glace Bay is something the minister of industry of that time, and other organizations, considered. Apparently they were anxious to have it established at a location other than Glace Bay. If it is such a bad thing, as far as Mr. Regan is concerned, why is it that practically every other area where it could possibly be developed wanted it at that time?

The minister of industry of that day stated, and he is here in the house now—and it is an oddity to have a minister in the house—that the federal government had nothing whatsoever to do with placing the heavy water plant in Glace Bay. Mr. Regan also overlooks the fact that since that time—

The Acting Speaker (Mr. Béchard): Order, please.

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Béchard): I have the honour to inform the house that a message has been received from the Senate informing this house that the Senate have passed Bill No. S-14, an act to amend the Aeronautics Act, to which concurrence of this house is desired.

HOUSE OF COMMONS

STATUTORY INSTRUMENTS—PERSONNEL OF SPECIAL COMMITTEE

Mr. Bernard Pilon (Chambly) moved:

That the special committee on statutory instruments appointed on September 30, 1968, be composed of the following members: Messrs. Baldwin, Brewin, Forest, Gibson, Hogarth, MacGuigan, Marceau, McIntosh, Muir (Cape Breton-The Sydneys), Murphy, Stafford and Tétrault.

Motion agreed to.

BUSINESS OF THE HOUSE

Mr. Macdonald (Rosedale): Mr. Speaker, perhaps I could just confirm that the first order of business on Tuesday will be the continuation of the budget debate, to its conclusion. If there is any time left we will commence the Customs Tariff resolution. On Wednesday we will call as the first order of business the third reading of the C.N.R. finance bill.

The Acting Speaker (Mr. Béchard): It being six o'clock p.m. this house stands adjourned until Tuesday next at two thirty o'clock in the afternoon, pursuant to standing order 2(4).

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

HOUSE OF COMMONS

Tuesday, November 12, 1968

The house met at 2.30 p.m.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF ESSAY AND POETRY CONTEST WINNERS

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I ask the indulgence of the house through you, sir, on behalf of the hon. member for Grand Falls-White Bay-Labrador (Mr. Peddle) and myself to call to the attention of hon. members the presence in the Speaker's gallery of two distinguished young Canadians, Robert Andrews from Morien, Nova Scotia and Timothy Matthews from Grand Falls, Newfoundland.

Mr. Andrews led the nation in an essay contest sponsored by the Royal Canadian Legion. Mr. Matthews led the nation in a poetry contest also sponsored by the Royal Canadian Legion.

I am sure the house will recognize the value of what these young men have accomplished and will join with the hon. member for Grand Falls-White Bay-Labrador and myself in our desire to pay tribute to them and to their achievements.

Some hon. Members: Hear, hear.

LABOUR, MANPOWER AND IMMIGRATION

Second report of standing committee on labour, manpower and immigration—Mr. Caccia.

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

INDIAN AFFAIRS

PROVISION FOR ESTABLISHMENT OF CLAIMS COMMISSION

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development) 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 provide for the disposition of Indian claims, and in relation thereto to provide for the establishment of an Indian claims commission; to provide for the duties of the commission, its decisions and awards; to provide for appeals from the decisions and awards of the commission to an Indian claims appeal court; to provide assistance to Indian bands in preparing and pursuing claims; and to enact such financial provisions as may be necessary to accomplish the purposes of the act.

Motion agreed to.

EXTERNAL AFFAIRS

POSSIBLE RESULTS OF FOREIGN POLICY REVIEW

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether we should conclude from his remarks at Kingston over the week end that the objective of the current foreign policy review is to find ways of diverting resources now committed to our international role for use in respect of domestic purposes, such as anti-poverty measures and efforts to improve the conditions of underprivileged groups in Canada.

Right Hon. P.-E. Trudeau (Prime Minister): This is, of course, one of the elements of our overall study of these questions, Mr. Speaker. We will have to weigh our foreign commitments with our commitments in Canada. We will have to weigh our foreign commitments in terms of what we want to spend on assistance through foreign aid, national development and in the military sphere. These are all elements which we are weighing together.

Mr. Stanfield: Mr. Speaker, are we to conclude that the view of the government is that Canada fundamentally faces a choice between an active international role and an effective attack on social problems here at home?

Mr. Trudeau: Mr. Speaker, if the Leader of the Opposition concluded that, he would be reaching a conclusion before we have done so. We are still in the process of review. I do not think the Leader of the Opposition or anyone should conclude that before we are in a position to make a conclusion ourselves.

Mr. Stanfield: Am I to conclude, then, that the government has not made any such decision as yet?

Mr. Trudeau: That is correct.

Mr. Stanfield: Is it the intention of the government, however, to implement the recommendations of the economic council in respect of reviving the war on poverty and, specifically, reviving or replacing in a more durable and effective form the special planning secretariat of the Privy Council office?

Mr. Trudeau: Mr. Speaker, we were conscious of the need to wage war on poverty before the economic council report which brought the opposition's attention to this problem. We are continuing in every way we can to seek means to alleviate this problem.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I appreciate that the responsibility for making decisions on this foreign policy review will rest with the government, but can the Prime Minister tell the house who is advising the government in respect of this review, if not in detail—

Mr. Speaker: Order, please. This question is not in order.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, has the Prime Minister concluded that the civil war which might spill over into Canada from the United States is inevitable and forms the basis of his conclusion?

Mr. David Lewis (York South): Mr. Speaker, my question is not really supplementary although it is related. I should like to ask the right hon. gentleman what instructions have been given to the representatives at the ministerial conference of NATO in respect of Canada's commitments to NATO at the present time.

Mr. Trudeau: Mr. Speaker, because we are in the process of this review, as I said to the Leader of the Opposition, the instructions given to our delegation, in general terms, are that as much as possible they should avoid any commitments now which would prejudge the results of the review on which we have embarked.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker ,during th estudy whic the government has been carrying on regarding our future role in Europe, have any factors come to light which would indicate to the Prime Minister and the government that Canada should in any way reduce its military role in Europe?

[Mr. Stanfield.]

Mr. Trudeau: This is the question we hope to be able to answer when our review is completed, but it is not yet completed.

Mr. Hees: I did not hear the end of the Prime Minister's answer. Do I take it that nothing has come to light that would indicate we should reduce our role—

Mr. Speaker: Order, please. The hon. member is simply reiterating the question he asked in the first instance. The hon. member for York South on a supplementary question.

Mr. Lewis: Mr. Speaker, I wanted to pursue the question I asked the Prime Minister. He said the instructions were that as far as possible our delegation should make no commitment. Can we have from the Prime Minister an assurance—this is from a different angle than some of the questions that have been asked—that at this conference in Brussels there will be no commitment to increase Canada's military part in NATO, in view of the fact that pressures in that direction have come forward as a result of the invasion of Czechoslovakia?

Mr. Trudeau: Mr. Speaker, our position at the NATO meetings will be taken after we have shown our point of view to our allies and after we have listened to their points of view. I would not tell our partners in NATO that we are going in there with a closed mind; that we are not prepared to listen to anything they might have to say. I might just inform the house of the present government's position. It is one of review of NATO. We are not led to the immediate reaction, after the Czechoslovakian events, to conclude that we should necessarily escalate in NATO. This is our position. I repeat, however, that we will listen to the position of the other members of NATO and make up our minds then.

Mr. Stanfield: A supplementary question, Mr. Speaker. Would it be a fair statement to say that the representatives of Canada at the NATO conference are being instructed to indicate that Canada would like to reduce its commitments to NATO, but that it is prepared to hear what the NATO allies might have to say on this subject?

Mr. Trudeau: Mr. Speaker, it would be fair to say that the latter part of the statement of the Leader of the Opposition is correct, that we are prepared to listen. On the first part, our reaction is that the Czechoslovakian events do not necessarily call for an escalation of forces, and therefore—

Some hon. Members: Hear, hear.

Mr. Trudeau: —our delegation to NATO is not going in there in order to achieve escalation, but on the contrary to argue as much as possible that we in Canada are embarked upon a review of our NATO policy and to say that we would not like to take decisions now which would prejudge the result of that review.

Mr. David MacDonald (Egmont): A supplementary question, Mr. Speaker. In light of the importance of this foreign policy review presently being conducted by the government, I wonder whether the Prime Minister would be willing to table very soon the terms of reference of this review, as well as the personnel involved in it.

Mr. Trudeau: No, Mr. Speaker.

Right Hon. J. G. Diefenbaker (Prince Albert): A supplementary question, Mr. Speaker. I am sure the Prime Minister is waiting to explain the answer he gave at Queen's University that has caused quite an uproar in the United States, to the effect that in five years civil war may take place in the United States and swoop over into Canada, and that in effect the demonstrations of civil disobedience pose a greater danger than communism does in regard to the Berlin wall. Is that the view of the Prime Minister? If there is any doubt as to what he said, would he mind tabling the tape, which everybody apparently has, on which his statements are recorded?

Mr. Trudeau: Mr. Speaker, I do not know whether it is in order to table a tape. I do not think I would attach too much importance to tapes. I have a verbatim report of what I said. I am prepared to read it to the house, if the house is interested in hearing it.

Some hon. Members: Hear, hear.

Mr. Hees: No; we want the tape.

Mr. Speaker: Order, please.

Mr. Hees: A supplementary question, Mr. Speaker—

Mr. Speaker: Order, please. As long as the Prime Minister does not read the whole speech—

Mr. Hees: A supplementary question—

Mr. Speaker: Order, please. The right hon. Prime Minister.

Mr. Diefenbaker: Mr. Speaker, I am sure the house would like to give the Prime Minister that opportunity.

Mr. Speaker: The Chair has recognized the Prime Minister.

Mr. Trudeau: Mr. Speaker, I did not think you would take me up on this.

Mr. Diefenbaker: Is it a true copy of the tape?

An hon. Member: Is this on motions?

Mr. Trudeau: It is excerpts from the Prime Minister's statement in the question and answer period. So far as I know it is a verbatim report.

An hon. Member: No.

Mr. Trudeau: No good?

Mr. Speaker: Order, please.

Mr. Baldwin: The tape, the whole tape.

Mr. Hees: And nothing but the tape.

Mr. Lewis: Mr. Speaker, since all these questions relate to international policy and particularly the review of Canada's role in NATO, and in view of the rapid way in which developments are taking place as well as considerations with regard to NATO's role in Europe, can the Prime Minister indicate when the review of foreign policy is likely to be concluded and when we can hear from the government what are the results of that review?

Mr. Trudeau: Mr. Speaker, I share the hon. member's impatience. At this time I cannot say when the review will be concluded. I can just say that it is under active study. There are committees working on it now and I am not in a position yet to say when the report will be completed.

Mr. G. W. Baldwin (Peace River): As a supplementary question I should like to ask the right hon. Prime Minister, in order to save confusion in the future, whether he would undertake to restrain his tendency to make hasty and off the cuff remarks before he has received the report of this committee.

Mr. Speaker: Order, please.

[*Later:*]

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is supplementary to some of the questions asked earlier of the Prime Minister in regard to his very active week end of speech making. In view of the remarks of the Prime Minister regarding disorders in the great cities of the United States

and—and I quote—the "great riots and the beginnings of civil wars in the United States of America", would the Prime Minister say whether these observations constitute an expression of hostility to a friendly state as serious as that of sending food to Biafra?

Mr. Speaker: Order, please.

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a question similar to that asked by the hon. member from Annapolis. In view of the remarks of the Prime Minister to the effect that relief supplies sent to Biafra could constitute an act of war, and to the effect that Canada did not want to involve itself in the internal problems of another country, does the Prime Minister not consider his statements in Kingston an intrusion into the domestic policies of the United States?

Mr. Speaker: Order, please. I think this question is slightly argumentative.

Mr. Trudeau: A question of privilege, Mr. Speaker.

Mr. Speaker: Order. The Prime Minister is rising on a question of privilege.

Mr. Trudeau: Mr. Speaker, I want to correct the premise of that question. I wish the hon. member would not say I said that to send relief supplies to Biafra could constitute an act of war. We have never taken this position. We have said it would constitute an act of war if it were done against the will and permission of the Nigerian government.

Mr. MacInnis: A supplementary question, Mr. Speaker. Apparently the Prime Minister is not only misunderstanding his own statement but he is misunderstanding mine.

Mr. Benson: That is not very difficult.

Mr. MacInnis (Cape Breton-East Richmond): I referred to the fact that the Prime Minister had indicated that the sending of relief supplies could be interpreted as an act of war, and I put no qualification on that statement. Therefore, if the Prime Minister cannot understand himself, I can well understand why he cannot understand me.

Mr. Trudeau: I apologize to the hon. member.

Mr. Speaker: Order, please. I suggest that hon. members might go on to another question.

[Mr. Nowlan.]

POSSIBLE ENTRY INTO ORGANIZATION OF AMERICAN STATES

On the orders of the day:

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the right hon. Prime Minister which is still in the area of international affairs. I should like to ask the right hon. gentleman if a change in our relations with Cuba is being contemplated as a means of seeking Canada's entrance into the Organization of American States.

Right Hon. P.-E. Trudeau (Prime Minister): No, Mr. Speaker.

VIET NAM—ADMISSION OF DELEGATES TO MONTREAL PEACE CONFERENCE

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the right hon. Prime Minister. Can the right hon. gentleman inform the house whether he has received protests from the director of police in Montreal regarding the admission by the Department of Manpower and Immigration of agitators and trouble makers, at the same time accusing the department of being unable to distinguish between proponents of ideas and ideals and rebel-rousing malcontents? If he has, what action does the government intend to take in this respect.

Right Hon. P.-E. Trudeau (Prime Minister): No, Mr. Speaker, I have not received any such representation. I did read some reports in the newspaper this morning that the chief of police in Montreal had some complaint, but I do not believe he said he had made any complaint to me.

Hon. Marcel Lambert (Edmonton West): I have a supplementary question, Mr. Speaker. I wonder if, at the same time the Prime Minister is discussing the matter with his colleague the Minister of Manpower and Immigration, he would look into the fact that many people in Canada who 30 or 40 years ago were denied Canadian citizenship because of alleged relationships with some red line organizations, are still denied their citizenship because of that old relationship.

Mr. Andrew Brewin (Greenwood): I wonder if the Prime Minister, in discussing this matter with the Minister of Manpower and Immigration, will point out that it is customary in Canada to allow political visitors into this country without questioning from the police.

Mr. Speaker: Order. The hon. member is making representations rather than asking a question.

[*Translation*]

[*Later:*]

Mr. Roch La Salle (Joliette): Mr. Speaker, in view of the absence of the Minister of Manpower and Immigration, I shall direct my question to the right hon. Prime Minister.

My question concerns a statement made by the chief of police in Montreal according to whom there are so many undesirables in Montreal because the Department of Immigration does not exercise adequate supervision. Could the right hon. Prime Minister tell us whether this Department will exercise tighter supervision in the future?

Mr. Trudeau: Mr. Speaker, could the hon. member put his question to the Minister of Manpower and Immigration when he appears in the house?

CROWN CORPORATIONS

PROPORTION OF SENIOR POSITIONS HELD BY FRENCH-CANADIANS

On the orders of the day:

Mr. André Fortin (Lotbinière): Mr. Speaker, since the percentage of the French-Canadian representation on the board of directors in federal public enterprises is 14.7 per cent and that of the English speaking directors is 85.3 per cent—I am coming now to my question, Mr. Speaker—and since also no legislation at the present time provides for an equitable representation—

Mr. Speaker: Order. The hon. member must ask a question.

Mr. Fortin: I am coming to it, Mr. Speaker, but sometimes one has to make speeches in order to be understood.

Could the right hon. Prime Minister tell the house whether specific measures will be taken, in the very near future, in order to ensure fairness to the French-Canadian representation in public enterprise since the present situation reveals a gross injustice?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, as you did not allow all the statistics, which I understand, I shall merely indicate that I disagree with the facts as stated by the hon. member.

French-Canadians now have, in the Civil Service in Ottawa as well as in all parliamentary institutions and the cabinet, a representation the like of which they have never had before.

Some hon. Members: Hear, hear.

Mr. Fortin: Mr. Speaker, the replies to the questions I put on the order paper indicate that—and I am not the one to say so, the government is—

Mr. Speaker: Order. The member must put a question.

Mr. Fortin: Mr. Speaker, I am coming to that.

The figures prove, beyond a doubt, that the right hon. Prime Minister is misleading the house.

Mr. Speaker: Order. The Chair recognized the member so that he might put his question.

Mr. Fortin: Mr. Speaker, if I sent the right hon. Prime Minister the statistical data his cabinet supplied me with, I wonder whether he would be willing to study them and report to the house, so that we might see whether his comments would still be the same?

TRADE

JAPAN—REPORTED AGREEMENT ON QUOTAS

On the orders of the day:

Mr. Gerald Laniel (Beauharnois): Mr. Speaker, I wish to ask the Prime Minister a question.

Could he tell the house if it is true that the Canadian government is ready to sign with Japan a trade agreement retroactive to January 1, 1968 to set up quotas on various imports from Japan, and particularly on textile products, as announced by some Japanese officials this morning?

Right Hon. P.-E. Trudeau (Prime Minister): I am not aware of such an agreement, Mr. Speaker, but the hon. member might put his question to the Minister of Industry, Trade and Commerce.

Mr. Laniel: Mr. Speaker, I wish to put a supplementary question.

Before putting my question to the Minister of Industry, Trade and Commerce, I would like to ask the Prime Minister whether he agrees with me that this matter is as important as that of Biafra, because of the adverse effects which an increase in imports from

Japan and Asian countries could have on the Canadian economy—

Mr. Speaker: Order. Would the hon. member put his question?

Mr. Laniel: —and that it should be referred to the committee on finance, trade and economic affairs, where representatives of the textile and other industries concerned could be heard?

[*English*]

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, annually we discuss voluntary quotas with the Japanese government. These quotas, when determined, are usually announced in the house by the Minister of Finance. We have been working on these voluntary quotas, and we have received representations from the textile industry. We have a long range study under way on imports from low cost countries, which I hope will be coming to the attention of the government in the very near future. When this report is received perhaps it would be the best document to refer to the committee referred to by the hon. member.

[*Translation*]

Mr. Laniel: Mr. Speaker, I wish to ask a supplementary question.

Even if the minister has consulted with the representatives of the textile industry, I would like to know whether the negotiators listen, nevertheless, to the representations made by the representatives of the Canadian textile industry, because these people come later to see the members of parliament and are not always satisfied with the arrangements?

[*English*]

Mr. Benson: I should like to indicate, Mr. Speaker, that these representations go on continuously. As a matter of fact the Prime Minister and several members of the cabinet met with members of the textile manufacturing industry as well as labour representatives in the textile industry a few weeks ago.

DRUGS

MARIJUANA—JUDGMENT OF MANITOBA APPEAL COURT

On the orders of the day:

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare which arises from his recent statement on marijuana. Has he taken cognizance of the judgment of the Manitoba court of appeal to the effect that leniency in dealing with this drug problem is not the answer?

Hon. John C. Munro (Minister of National Health and Welfare): Yes, Mr. Speaker.

Mr. Frank Howard (Skeena): May I ask a supplementary question. The other day I directed a question to the parliamentary secretary to the minister referring to a report about drug abuse that was expected to be presented to the federal-provincial conference of health ministers. I asked whether that report from the province of Quebec, if received, would be tabled. The parliamentary secretary, I believe, said he would take the question as notice. I wonder if there is an answer available now.

Mr. Munro: The report we have now is a preliminary report, Mr. Speaker, and when we do receive a full report from Quebec we will give that suggestion consideration.

HOUSE OF COMMONS

CONSIDERATION OF PROPOSED PROCEDURAL CHANGES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): I had thought, Mr. Speaker, of raising this matter as a question of privilege, but on second thought I decided a question to the Prime Minister might be just as satisfactory.

Mr. Mather: Just as unsatisfactory.

Mr. Knowles (Winnipeg North Centre): My colleague says "just as unsatisfactory", but I would not want to be that unkind.

In his Sunday night speech at Montreal the Prime Minister said that in December, after the procedure committee has made its report, the government will propose the adoption of new rules. Can the Prime Minister tell the house what he meant by that statement? Did he mean the government has its own set of rules that it is going to bring in, or did he mean the government would move the adoption of the report of the special committee on procedure?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I think we indicated earlier—indeed I believe this is part of the agreement that all parties in the house entered into—that the committee would bring in its report by the beginning of December. It is this report that we hope to debate in the house.

Mr. Knowles (Winnipeg North Centre): Is it that report, Mr. Speaker, the adoption of which the government will support, or does the government plan to bring in its own set of rules?

Mr. Trudeau: We do hope, Mr. Speaker, the report will be such that we will want to support it. We also hope that that is the expectation of hon. members of the opposition.

AGRICULTURE

FARM IMPROVEMENT LOANS—INQUIRY AS TO INTEREST RATES

On the orders of the day:

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Finance. It is now a month since the house dealt with the farm improvement loans legislation, and I am wondering whether the minister can indicate the rate of interest the government has now established in relation to that legislation.

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, this legislation will be receiving royal assent soon. I believe it moved through the other place just last week, and it will be receiving royal assent this week. I have been in contact with the banks with respect to the rate of interest that will be acceptable under this legislation. It has to be a rate of interest that is fair to the farmers, yet one sufficiently attractive for the banks to promote use of the legislation. I hope I will be able to announce this rate very soon after the bill has received royal assent.

PAYMENT OF CASH ADVANCE ON FARM STORED GRAIN

On the orders of the day:

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, my question is directed to the acting minister of agriculture; that is, if we have one. Can the minister advise whether the Canadian Wheat Board has yet issued authority to country elevator agents to issue the full $6,000 cash advance on farm stored grain? If not, then can he advise the house when such authority will be issued?

NATIONAL DEFENCE

INQUIRY AS TO RETROACTIVE PAY INCREASES

On the orders of the day:

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, may I direct my question to the President of the Treasury Board, who looks neglected over there, being deeply engrossed in his mail. May I ask the minister whether the recent retroactive pay increases to national defence employees in Canada will be made prior to Christmas; and failing that, whether it is possible to give an assurance, if not on the part of the minister then on the part of the Minister of Finance, that the increases will not be subject to the 2 per cent social service tax which will come into effect at the end of the year.

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I will give sympathetic consideration to that representation.

Mr. Forrestall: A supplementary question, Mr. Speaker. I wonder whether in all fairness the minister would comment on the second part of the question, which dealt with the increase being subject to the 2 per cent tax; that is to say, if the department is not able to make these payments prior to the end of the year.

Mr. Drury: Mr. Speaker, I think the tax will have to be imposed according to the terms of the law. The question really relates to what period the pay is attributable to.

VETERANS AFFAIRS

INQUIRY AS TO MAINTENANCE OF DOMICILIARY CARE PROGRAM

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Minister of Veterans Affairs. Has the domiciliary care program under the veterans charter been phased out as part of the process of turning veterans hospitals over to civilian authorities?

Hon. Jean-Eudes Dube (Minister of Veterans Affairs): No, Mr. Speaker. This policy was made known by my predecessor, and it has not changed. The policy of the government is to continue to give the best possible care to our veterans.

Mr. Dinsdale: A supplementary question, Mr. Speaker. Do I take it from the minister's answer that domiciliary care, a greatly needed service for our older veterans, is still available to our veterans and that there has been no change whatever?

Mr. Dube: There is no change, Mr. Speaker.

Inquiries of the Ministry

AIR CANADA

INQUIRY AS TO APPOINTMENT OF PRESIDENT

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Prime Minister. Could the right hon. gentleman advise this house how soon the government may expect to appoint a new head or new heads for Air Canada?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, the house can expect an announcement within, I think, the next fortnight at the most.

EXTERNAL AFFAIRS

NORTH VIET NAM—REACTION TO CESSATION OF BOMBING ATTACKS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to ask the Prime Minister whether he is in a position to advise the house whether there has been any favourable reaction on the part of Hanoi since the cessation of bombing by the United States. Is he able to tell the house, naturally within the limitations by which matters such as this are circumscribed, whether there has been any advance along the road to a hoped-for peace between North and South Viet Nam?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, Canada is not a party to these negotiations, and I do not have any inside information which would permit me to enlighten the right hon. member.

Mr. Diefenbaker: Then, Mr. Speaker, would the Prime Minister give consideration to sending over there the one man who I think he will agree knows more about this situation than anybody else, Chester Ronning, so he may be able to find out what is the situation; for apparently the officials of the Department of External Affairs have not been able to do so.

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a supplementary question for the Prime Minister. Should the United States resume the bombing of North Viet Nam, would the Canadian government give consideration to sending relief supplies to the people of North Viet Nam?

Mr. Speaker: Order. I have to rule that the question is hypothetical.

[Mr. Dubé.]

[*Translation*]

NATIONAL PARKS

QUEBEC—NEGOTIATIONS RESPECTING ESTABLISHMENT

On the orders of the day:

Mr. André Fortin (Lotbinière): Mr. Speaker, I would like to direct a question to the Minister of Indian Affairs and Northern Development.

The honourable minister promised, on September 24 last, to make an announcement about national parks. Can he make it now?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am not in a position to make an announcement now, but we have submitted a project to the government of Quebec and we expect an answer soon.

[*English*]

EXTERNAL AID

NIGERIA—AGREEMENT WITH RED CROSS ON MERCY FLIGHTS

On the orders of the day:

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Prime Minister. Since there is considerable uncertainty about the disposition of aircraft from Canada under the control of the Red Cross, will the Prime Minister undertake to find out for the house whether a clear agreement has been reached between the Lagos government and the Red Cross concerning our mercy flights to Nigerian-Biafra?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, to answer that question would require a fairly long repetition of what has been said many times before.

Mr. MacDonald (Egmont): Then would the Prime Minister be prepared to make a statement on motions?

Mr. Trudeau: There is nothing new to indicate here. We have indicated in past weeks what agreements we have achieved through the government in Lagos with regard to daylight flights. We made sure that our representations were transmitted by the International Red Cross to Colonel Ojukwu. We are still awaiting a reply from Colonel Ojukwu to the Red Cross, or possibly for word in some other way which would indicate his agreement for such daylight flights.

Mr. MacDonald (Egmont): A supplementary question, Mr. Speaker. In order to clarify the situation and the considerable uncertainty surrounding the most recent proposal about Caribou aircraft, would the Prime Minister make a statement in the house or table in the house the terms of the actual agreement between the Red Cross and the government in Lagos, so we may have an accurate idea of what that agreement involves?

Mr. Trudeau: Mr. Speaker, there is no agreement in a form that might be tabled in this house. It was General Gowon who unilaterally indicated to Professor Head, who was there on my behalf, that he would permit daylight flights on the condition that Colonel Ojukwu would not use the airstrip in the day time for arms deliveries. This is not an agreement as such. This is a statement by the Nigerian government, and it is hoped that the authorities in Biafra will agree to it. In that case it would be up to the International Red Cross, under whose control the aircraft are, to decide what hours they will be flying and so on.

Mr. MacDonald (Egmont): A further supplementary question, Mr. Speaker. In light of the problems that have arisen about the use of Hercules aircraft, have officials of the government given consideration to using those aircraft to begin air drop procedures, should that become necessary?

Mr. R. Gordon L. Fairweather (Fundy-Royal): A further supplementary question, Mr. Speaker. Can the Prime Minister say whether current information about a substantial increase in arms being supplied to Nigeria and Biafra by several of the large powers leads this government to conclude that the time has come for a new Canadian effort to be made to persuade those countries not to supply any more arms to this area?

Mr. Trudeau: Mr. Speaker, I have stated publicly on several occasions that it was the hope of the Canadian government that its friends and other countries would desist from supplying arms to this area. I have no reason to believe, however, that any further form of representation would lead to any results. The foreign policies of those countries which are supplying arms are under the control of their own governments and not under the control of the Canadian government.

Mr. MacDonald (Egmont): On a point of order, Mr. Speaker, I believe the Prime Minister was prepared to answer my previous question about the use of Hercules aircraft in air drop procedures. I think the country is anxious to know the merits of this proposal.

Mr. Trudeau: Mr. Speaker, I was not clear about the hon. gentleman's meaning; that is why there was a moment's hesitation in rising. I was not clear whether the hon. member was referring to air drops within Biafran held territory.

Mr. MacDonald (Egmont): Within Nigeria.

Mr. Trudeau: Within Nigeria? There is no active consideration of that because that is not the way the problem was presented to us by the Lagos government. They said to us that the airstrips could not hold Hercules aircraft and therefore they could not be used. We discussed that with them both through Mr. Head and later through our high commissioner in Lagos. We wanted to know in what way we could assist them; was it by sending trucks or Caribou aircraft. After some consideration they asked for Caribou aircraft, and that is why we made this decision.

Hon. Robert L. Stanfield (Leader of the Opposition): A further supplementary question, Mr. Speaker, is it the view of the Prime Minister in conducting Canadian foreign policy that Canadian representations can never influence the foreign policies of other countries?

HUMAN RIGHTS

INQUIRY AS TO FEDERAL INTEREST IN TORONTO CONFERENCE

On the orders of the day:

Mr. Ed Schreyer (Selkirk): Mr. Speaker, my question is addressed to the Prime Minister. We understand that in three weeks a large conference is to be held in Toronto having to do with cultural and human rights. Has this conference the sponsorship or benediction of the government?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I am not aware of this conference.

INDIAN AFFAIRS

REQUEST FOR DRAFT OF PROPOSED LEGISLATIVE CHANGES

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I wish to direct a question to the Minister of Indian Affairs and Northern Development. For the edification of native Indian people, particularly, who are attending the current

round of consultative conferences, is the minister prepared to make public the draft changes to the Indian Act which exist in his department?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I must point out to the hon. member that there is no bill on the Indian Act, because we are now consulting with the Indians and we intend to wait until the end of consultations before starting to draft the legislation in question.

[*English*]

Mr. Howard (Skeena): A supplementary question, Mr. Speaker. Perhaps the hon. gentleman misunderstood my question. I asked whether he would make public a document which exists within the Department of Indian Affairs. It is a draft of proposed changes to the Indian Act. I ask this so that our Indian people may know the government's thinking on this matter.

[*Translation*]

Mr. Chrétien: Mr. Speaker, I must disagree with the hon. member. I am not aware of the preparation of any such legislation concerning the Indian Act and I do not see how I could table something that does not exist.

[*English*]

HEALTH AND WELFARE

SASKATCHEWAN—PROVISION OF MEDICAL CARE FOR INDIANS

On the orders of the day:

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a question for the Minister of National Health and Welfare which relates to a question I asked on November 1. The minister said he would take it as notice. I asked whether the minister received a communication from the Saskatchewan Medical Association requesting immediate action to ensure adequate medical care for Saskatchewan Indians, and warning that a failure to act may force doctors to leave areas which have a large Indian population and completely deprive some Saskatchewan Indians of medical service. Can the minister now answer that question?

Hon. J. C. Munro (Minister of National Health and Welfare): Yes, Mr. Speaker. This whole subject matter came up at the meeting of health ministers last week. At that time it was indicated that Indian health services at the federal level would be improved and that more resources would be put into them to correct a situation such as the hon. member has referred to.

Mr. Southam: A supplementary question, Mr. Speaker. Will the minister indicate whether remuneration for service provided to Indians will be commensurate with that provided to white citizens?

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a question supplementary to the one asked by the hon. member for Qu'Appelle-Moose Mountain and I direct it to the Minister of National Health and Welfare. Was the minister quoted accurately when, following a visit to the Indian reserves and Métis communities in Manitoba, he stated he found medical services there quite adequate?

Mr. Munro: No, Mr. Speaker, I was not.

Mr. Speaker: Order, please. The question is not acceptable.

TRANSPORT

PRINCE EDWARD ISLAND CAUSEWAY—REQUEST FOR STATEMENT OF INTENTION

On the orders of the day:

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I wish to direct a question to the Minister of Public Works. When will the government be in a position to make a definitive statement about its decision regarding the causeway to Prince Edward Island?

Hon. Arthur Laing (Minister of Public Works): Mr. Speaker, I think the Prime Minister indicated that a statement might be possible early in November. I would expect it within the next two or three weeks.

Some hon. Members: Oh, oh.

Mr. Laing (Vancouver South): I would think within the next two or three weeks a complete survey will be completed in respect of this matter, and a statement might be made.

Mr. David MacDonald (Egmont): A supplementary question, Mr. Speaker. In light of the considerable interest this project has generated both in Prince Edward Island and within the rest of Canada I wonder whether the government might be willing to table the report of the Stanford Institute dealing with

the more crucial issues of the construction and the cost of this important project.

Mr. Laing (Vancouver South): I think, Mr. Speaker, some material which has been produced might be made public after a decision is taken, but I would think it is better to retain it within the department till then.

Hon. George Hees (Prince Edward-Hastings): Would the decision have to be that it would not be politically harmful to the government?

Mr. MacDonald (Egmont): Mr. Speaker, I was referring specifically to one document which is already available to more than the officials of the federal government. Therefore I think it would be quite useful if it were made available to members of the house.

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed, from Friday, November 8, consideration of the motion of Hon. E. J. Benson (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, during the past week of this debate we have heard many opposition members rise in this house and declare that they were not at all satisfied with the 2 per cent tax with a $120 limit. I must say that when I first heard the minister announce this tax I had the same reaction. Like some other members I felt that this tax would bear more heavily on the middle income groups and favour more the upper income groups. As a result of my first reaction to the announcement I saw the minister and, with some others, I suggested that maybe a 1 per cent or a less than 1 per cent tax, without limit, would be preferable.

However, Mr. Speaker, having studied these alternatives and worked them out mathematically I have become less warm to my original proposals. I have found that if we were to raise through a percentage tax without any limit, the same amount of money as we now wish to raise, the tax would come to approximately 1.65 per cent, which is not too much different from 2 per cent. If we apply it to a married man earning $5,000 a year, with two children, we find the difference in his tax is only $8 per year. In other words, if the tax were 1.65 per cent without any limit rather than 2 per cent with a limit, the man earning $5,000 per year, with two children, would pay only $8 less a year.

On the other hand, balanced against this we would have a system whereby those in the upper tax bracket would pay a greatly increased rate of tax, and this is a group already paying tax under a rapidly increasing progressive tax system. I would like to remind the house what those progressive rates of taxes are. A person who has a taxable income of $4,000 a year, that is, taxable income after exemptions and so forth, pays $610 per year plus 22 per cent on the next $2,000. A person with $8,000 taxable income per year pays at least a basic $1,570 tax plus 30 per cent on the next $2,000. If we move up to $12,000 taxable income a person pays $2,870 basic tax, plus 40 per cent on the next $3,000. Jumping up to $25,000 a year taxable income a person pays a basic $8,570 tax, plus 50 per cent on the remaining $15,000, and if we go to $60,000 a year taxable income a person pays a basic $27,000 tax, plus 60 per cent on the next $30,000. We note, Mr. Speaker, that the rates of taxation increase by a very progressive measure.

Comparing the rates of taxation in Canada for different groups with the rates of taxation in the United States the Carter commission noted that a married taxpayer in Canada making more than $10,000 per year paid higher rates of taxes than his counterpart in the United States, and a married taxpayer in Canada earning less than $10,000 per year paid a smaller rate of tax than his counterpart in the United States. It was suggested that the rates of tax in Canada for the managerial and entrepreneurial classes should not be such that they would be an additional factor in luring Canadians to other countries.

We know how easy it is for skilled Canadians, for Canadian graduates, to go to the United States. Most of them speak the same language as the people of the United States. Basically in many respects they have the same culture and it is easy for them to migrate to the United States and make a living there. It was suggested that for the managerial income groups the rates of tax in Canada should be somewhat similar to the rates of tax in the United States and that in the long run this would be in the general economic interests of Canada.

When doing research in preparation for this debate I noticed another very interesting point. In recent days when the opposition has talked about the government we have heard much about a credibility gap. I would like to

suggest there are even greater credibility gaps with respect to the opposition parties, comparing what they say and what they in fact do.

If we look at the record of the C.C.F.-New Democratic party in Saskatchewan when it introduced a medical insurance program in the early 1960's and joined it with the hospitalization program, the New Democratic party decided that the program should be paid for by a flat rate premium which was to be the same for the lower income group, the middle income group and the upper income group. I believe that premium is now $36 per year for an individual and $72 per year for a family. If it is unfair and unjust to the middle income group to have a 2 per cent tax with a limit of $120 then I submit it is much more unfair and unjust to have a flat rate premium which is a much greater percentage of income for the lower income group than it is for the middle and upper income groups.

It so happens that the leader of the New Democratic party was the premier of Saskatchewan when that flat rate premium was introduced, and it is of note that he is at present campaigning in British Columbia to get a seat in this house. No doubt he will be attacking this 2 per cent tax and saying it is unjust and unfair. I submit, Mr. Speaker, that the candidate for my party, the Liberal party, should bring to the attention of the voters in the British Columbia constituency that what he introduced as payment for a similar program in Saskatchewan was much more arduous on the lower income groups than it was on the middle and upper income groups.

The opposition parties may say that that premium did not cover and was not intended to cover the entire cost of the hospitalization and medical care program. They would be correct in saying that, but the 2 per cent tax that we are applying, with a limit of $120, is also not meant to cover the entire cost of the hospitalization program, the medical care program and the supplements provided for the post-secondary educational system. So, Mr. Speaker, I submit that there is a credibility gap so far as the opposition parties are concerned, particularly the N.D.P., in the way they attack this particular tax because they say one thing but when they are in charge of government they do another thing.

• (3:30 p.m.)

Let us look at the taxes which other countries in the world pay for similar programs. In England, under the national health service there is a flat rate premium system. In Sweden 50 per cent of their program is paid by a flat rate premium system. Some other countries, however, have a progressive tax to pay for their hospitalization, medicare and social welfare programs. In every one I examined there is a limit. I can give examples. In West Germany there is a special tax premium ranging from 5 per cent to 10 per cent of wages per month for the health program. They have a limit on that of 660 Deutsch marks per month. In France the tax for the hospitalization and medicare program is 6 per cent of wages and they have a ceiling of 700 new francs per month. In making a study of these programs it became apparent that in every case there was either a flat rate premium program or a percentage or graduated premium program, but there was no case in which there was not a limit. In respect of Sweden I have an article entitled "Socialized Medicine In Sweden"—

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

Mr. Allmand: Yes.

Mr. Harding: Is the hon. member suggesting that the so-called social development tax of 2 per cent is connected with a specific government program, for example, medicare?

Mr. Allmand: The minister stated that the social development tax which was introduced was to pay for large deficits in the shared cost programs, especially post-secondary education and hospitalization and the medicare program which was to be introduced. That was my understanding of it. It is called a social development tax.

I was about to quote from an article entitled "Socialized Medicine In Sweden", to be found in the publication *Current History*, January, 1963, at page 336. It reads as follows:

> The general health insurance costs are not fully met by public outlay, national or local. Since 1955, when the present compulsory insurance law went into effect, approximately 50 per cent of the cost has been covered by individual premium payments, 25 per cent by contributions coming from the employer and 25 per cent by the public treasury which means, obviously, by taxpayers. Referring to this distribution of costs, Karl J. Hojer, former director of Sweden's Royal Social Board, started in 1959 that by the early 1950's it had become clear "that direct taxes in Sweden had become so high, especially on upper incomes, that any attempt to apply further pressure would have dangerous effects." A situation "had been reached where a transfer by taxation

of money from the higher income groups to the lower income groups, in the form of social benefits for the latter, could not be pursued any further."

I know that in Sweden the rate of taxation in the higher income groups is greater than it is in Canada, but I cite that article to point out that in all the countries in western Europe that I have studied which have these programs they have seen fit to have a limit where they have a progressive rate of taxation in addition to specialized taxes. That is the main point of my referring to these articles.

I also should like to refer to some of the remarks of the Leader of the Opposition (Mr. Stanfield). In his speech last week he made the statement that there is a great credibility gap with regard to the government and its predictions concerning the estimates and so on. I submit that there is an even greater credibility gap with regard to the opposition, especially since it has been led by the present Leader of the Opposition.

In the period of approximately one year since the Leader of the Opposition came here he has consistently criticized the government for not properly controlling costs and for not properly controlling spending programs. Yet, whenever the government has brought forward proposals to control those costs and cut down on the spending program, either the Leader of the Opposition or members of his party have risen in this house and criticized these cuts. When the minister of finance brought forward proposals last spring in respect of certain cuts in costs, immediately there were complaints from the Conservative opposition about cuts in shipbuilding subsidies, in the subsidies to the cheese industry and about the review of the Prince Edward Island causeway program which was brought up again today. This fall we have had criticism about the cut in the observatory program in British Columbia, about the winter works program and about the cut in the atomic energy program. I am not saying that these are not good programs and perhaps have merit, but I am trying to point out that there is a real inconsistency in the approach of the opposition and a real credibility gap. They cannot have it both ways.

Mr. Lundrigan: Mr. Speaker, would the hon. member permit a question?

Mr. Allmand: Yes.

Mr. Lundrigan: The hon. member indicated there is a greater credibility gap on the part of the official opposition. Is he, therefore, admitting there is a substantial credibility gap on the part of the government?

Mr. Allmand: No, I am not. I appreciate the quickness of the hon. gentleman. I am merely saying that if there is a credibility gap I believe it lies with the opposition.

When the public accounts committee met last year a recommendation was made which was fully supported by the Conservative members of that committee. The recommendation was with regard to second class mail. In its recommendation the committee said:

It considers it essential that the Post Office Department or parliament immediately find ways and means of covering the loss of the Post Office Department in handling second class mail—

The members of the Conservative party are always so happy to support the recommendations of the Auditor General and the public accounts committee, and they did so on that occasion when the committee recommended an increase in the rates on second class mail. Yet, when the Postmaster General (Mr. Kierans) brought forward this fall a bill to increase the rates on second class mail they opposed the bill and voted against it. Again I think there is a great credibility gap between what the opposition says at one time and does at another time.

Mr. Nowlan: I know the hon. gentleman would not want the record to go unchallenged in respect of the statement he has just made, which may or may not be relative to the budget. I am sure he would agree with me that the recommendation set out in the report of the Auditor General—we were both in the same room and present at the same committee—was that if the Post Office Department has a deficit that deficit should be brought into the house and met by a special vote so that the people of Canada will know if the Post Office Department is in effect operating at a profit or a loss. It was recommended that if there were a loss it should be covered by a vote, in effect, of this house. This is different from the postal bill which in effect said there was no deficit.

Mr. Speaker: Order, please. In fairness, I believe that the hon. member should be allowed to continue his speech. He has 30 minutes and his time is running out very quickly.

Mr. Allmand: I disagree with the hon. member. I have the reference before me. It says that parliament should immediately find ways and means of covering the loss of the

Post Office Department in handling second class mail. That recommendation was supported by the Conservatives; yet when the government brought forward a proposal many of the opposition members voted against that proposal.

Mr. Nowlan: Would the hon. member read the remainder of the recommendation?

Mr. Allmand: Many things have been said by members of the opposition in this debate with which I disagree. Time does not permit me to go into all of them, but there are many inconsistencies.

• (3:40 p.m.)

I should like to refer also to some of the remarks of the hon. member for Waterloo (Mr. Saltsman), the chief critic for the New Democratic party in the present debate. He criticized the government in his speech, as found on page 2275 of *Hansard* and said that a balanced budget should not be an end in itself but that the budget should have certain social and economic goals. I agree with that, and I think the minister would agree. The minister said in introducing the budget that in trying to achieve a balanced budget his goal was to counteract inflation and bring about a stable price system in Canada. The Economic Council of Canada had pointed out very strongly in its report this year that this still is an outstanding economic problem in Canada.

The hon. member for Waterloo went on to say on the same page in *Hansard:*

> This budget explicitly rejects the Keynesian revolution of government fiscal policy used in promoting full employment of the labour force.

It seems to me that the theories of Mr. Keynes no longer find the same acceptance they had in the past. I have here a reprint from the New York *Times* dated November 7, 1968, which comments on an article which appeared in the *Economist* a week before. The headline is "Keynes Taking A Back Seat". The article in part states:

> In England, the land of his birth, they have suddenly discovered that John Maynard Keynes is dead.

It then continues:

> The obituary was written last week by the British weekly, the *Economist*. It recalled that at the end of his great work, "The General Theory of Employment, Interest and Money", Keynes observed:
>
> "Practical men, who believe themselves to be quite exempt from any intellectual influences, are usually the slaves of some defunct economist."

> And then, not without a certain amount of cruelty, the *Economist* concluded:
>
> "The piquant situation today is that Keynes himself is now a defunct economist."

The situation is that the analysis Mr. Keynes made was of a situation in which unemployment and deflation existed together. The situation in the last few years and today is one in which we have unemployment with inflation. The recommendations he made in respect of correcting the situation are no longer acceptable to most economists who are working today. Hon. members in the opposition seem to put forward these theories as though they were pills, with the suggestion that after taking them certain countries would automatically be cured of unemployment, and so on and so forth. That is not so.

I see that my time is almost up. I wanted to enter this debate particularly to contradict some of the arguments put forward by the opposition and the statement that there was a credibility gap in the government. If there is any credibility gap at all it is in respect of the opposition and specifically the N.D.P. That party implemented a program in Saskatchewan which involved a more arduous tax for social welfare benefits than this tax now before the house. The official opposition say one thing at one time and ask us to do something different at another time.

Mr. Stan Schumacher (Palliser): Mr. Speaker, as this is the first occasion I have had to speak in this house since my election to represent the riding of Palliser, may I take this opportunity of congratulating you on your re-election as the presiding officer of the house. I should also like to congratulate your deputy, the chairman of committees, and the deputy chairman of committees on their accession to those offices and to say that they are proving to be happy choices for those positions.

The Palliser electoral district is situated in that part of the province of Alberta which lies to the west, north and east of the city of Calgary. The riding also includes a large portion of the city of Calgary and the Indian reserve of the Sarcee tribe. As a result, in the Palliser constituency can be found examples of most kinds of agricultural enterprise ranging from ranching, dairy farming and mixed farming through to some of the most productive grain farms to be found in this country. This is an area that has produced several world wheat kings in recent years.

In this my first contribution to the debates of this house I had hoped to be as helpful and

as uncritical as possible. I still hope I can be helpful, but I can no longer be uncritical. In the face of the budget brought down by the Minister of Finance (Mr. Benson), Pollyanna would be driven into an acute state of depression and Anne of Green Gables would be moved to profanity. It is, in my view, the most negative, defeatist and depressing statement made to the Canadian people in recent times.

It is defeatist because it admits nothing can be done to correct the shameful state into which federal finances have been allowed to fall in five years of Liberal rule. It is negative because it inhibits any progressive legislation in the field of national development and effectively prevents the creation of any new national wealth or the formation of a wider and stronger tax base. It is depressing because it seeks to give the philsophy of doom and gloom the sanction of the Canadian parliament, and squeezes the tax collar tighter around the necks of the already choking taxpayer, particularly those in the lower and middle income areas. It is a sorry day when, in the midst of unparalleled affluence, our Minister of Finance can offer nothing but rising debt and taxes.

This budget clearly mirrors the blind gropings of a minister driven by the compulsion to find some way out of the mess and stave off bankruptcy. There is something reminiscent today of the period immediately prior to the outbreak of the French revolution. You may recall that the great banker, Jacques Necker, was called back to bring order out of the chaos of Louis XVI's financial world. He failed and the revolution followed. Necker was exiled and the king lost his head. I am not suggesting that we will shortly face a violent revolution in this country, but actions such as those of this government, as reflected in this barren budget, could bring on a revolution of a milder sort.

Aside from the bitter disappointment created by this budget, apart from the sudden death it brought to the promises and hopes of a just society, of new national goals and a new spirit of national purpose, its most unpleasant aspect is the financial bumbling and inadequacy demonstrated by the minister's explanation of its provisions.

The greatest irony is his repeated plea for cut-backs in spending, for economy at all levels and for belt tightening and austerity. It is ironic because those who cry loudest for austerity are the very ones guilty of the most extravagant spending. If only one of his colleagues practised what the Minister of Finance preaches we could save a considerable bag of tax dollars. The cabinet's taste for high living is well known and has been frequently mentioned in this house already, but there are many other areas of expenditure where lack of common sense and restraint make a mockery of the minister's plea for economy and the painful provisions of this budget.

Recently the Minister of Finance sent the representatives of the provinces packing without even carfare home. He denied them any extra money to help them in the discharge of their responsibilities. He shut them out from any share in the harvest of tax dollars that this new budget is designed to scoop up. He particularly slammed the door on the provinces' sharing in the 2 per cent social development tax, although most of the measures he claimed came under social development. These had been foisted on the ill-prepared and financially strapped provinces by the federal government by what amounts to fiscal blackmail.

The Minister of Finance is Canada's most outspoken advocate of austerity, but what is happening in his own backyard? While he is in the pulpit preaching, his colleagues are robbing the poor box. There is no trouble finding funds for the pet projects of various ministers. There is lots of money to finance the B and B commission and to set up an expensive new bureaucracy under a language commissar. But scientific and research projects vital to the development of the nation are ruthlessly lopped off. Last year HARP, the high altitude research project, was killed, and this year the Queen Elizabeth telescope and ING, the intense neutron generator project, were scrapped in the name of economy in government spending.

• (3:50 p.m.)

But there has been no change in the blank cheque policy of financing the National Arts Centre, which has been characterized by one of the members of the treasury benches as a "$47 million dance hall". There are ample funds for the lavish redecoration of ministerial offices. There is plenty of cash to build up the personal staff of cabinet members, including the largest prime ministerial staff in history. What happened to the freeze on the civil service? Is this just another gap in the minister's credibility?

There is no money for the provinces of Canada, no money for development of the

nation's human and natural resources, no money for fighting regional disparity or attacking unemployment and underemployment. There is no money for any of these vital undertakings but lots of money for federal ministers' housekeeping expenses.

When the government was busy cutting and hacking at potentially productive programs, why was no mention made of the Canadian Broadcasting Corporation? To my mind this is one of the greatest sink-holes in the whole fabric of the government of Canada. It is a drain down which tax dollars pour unchecked, uncontrolled, and apparently uncontrollable. If the minister had been sincere in his plans for greater economy and reduced spending at all levels, he should have started with a dramatic example by demanding and ensuring a responsible business operation of the C.B.C.

Earlier this year, as has been pointed out many times, the minister guaranteed a balanced budget. We now find that the government expects to spend $480 million more than it thought it would spend in May, and $190 million more than it thought it would spend last month. Such figures make a mockery of the minister's professions of concern over spending. His failure to tackle such notorious tax-wasters as the C.B.C. simply reinforces this fact. On August 15 last, the Windsor *Star* in an editorial commented:

> A large part of the ever-increasing deficit of the C.B.C. is due simply to extravagance. Anyone who has ever watched C.B.C. crews in operation at home or abroad knows exactly what we mean. They spend money like water and often to no good purpose.

It would be interesting to learn the cost to us of the film "Listen, America" commissioned by the corporation and shown on the November 3 edition of "The Way It is". If one is to judge by the list of credits accompanying this piece of subversive garbage, its cost will amount to hundreds of thousands of dollars.

Some hon. Members: Hear, hear.

Mr. Schumacher: This film preached the philosophy of anarchy and destruction, having no connection with Canada or Canadians, without any notable creative merit and in the most sordid terms. It was a particularly glaring example of a type of program which is becoming more and more prevalent.

To cancel great scientific projects and then permit such senseless excesses by the C.B.C. is, to me, incomprehensible. The C.B.C. now costs each and every Canadian almost $8 per year. Its estimated expenditures this year are in excess of $151 million. This is an increase of more than $7 million from the very high spending level that the C.B.C. attempted to justify because of centennial year and Expo 67's extraordinary demands. And this does not include a $25 million "loan" for capital purposes.

The fact that the C.B.C. is a part of the government and nominally must report to parliament is the chief reason, I believe, why it is uncontrolled and uncontrollable. As long as it is connected with government, its defenders, the pseudo-intellectuals and bleeding hearts of all parties, will be able to come to its rescue whenever it is criticized by crying "politics". This is an absurd argument but one that is difficult to offset. By making the C.B.C. something sacrosanct and untouchable we have permitted the setting up within it of autonomous enclaves, little principalities running their own show, acknowledging no other authority than their own and living off the abundant flow of tax dollars ensured by a helpless government.

As a new member of this house, Mr. Speaker, it is amazing to me that the government has never deigned to recognize, let alone act upon, the strictures laid upon the C.B.C. by the nation's Auditor General, Mr. Maxwell Henderson. The Auditor General has pointed out that on the eve of the retirement of one of its vice-presidents the directors increased his salary by 67 per cent to $25,000 so that he could receive a pension equivalent to that of our former prime ministers, and then gave him a retiring allowance of $25,000. This is what the Auditor General said of this generosity with the taxpayers' money:

> This was not within the competence of the directors of the C.B.C. and payment of the retiring allowance was not within the powers of the corporation under the Broadcasting Act.

The Auditor General said, in other words, that the C.B.C. authorized and paid out large sums of tax dollars without justification, and illegally. To add insult to injury the C.B.C., in spite of these comments by the Auditor General, subsequently proceeded to give equally generous pensions to other top C.B.C. executives. Was anything ever done by the government? No. Did the man who now weeps for scarce tax revenue shed a tear for such unjustified and wasteful use of public funds? No.

As Patrick Nicholson wrote at the time of Mr. Henderson's report:

> The C.B.C., as has been made obvious over the years, has inflated itself into a self-governing empire beyond the control of parliament—and the government does nothing to stop it.

This is a pretty accurate summation of the situation as far as I can see. The fact is that the C.B.C. is a law unto itself. Government agents inserted into its structure, even at the top, are merely ignored or absorbed. A final measure of the C.B.C.'s arrogant self-assurance may be seen in the fact that in all the flurry of cancellations of projects in the sweet name of economy, not a finger was laid on the C.B.C. Its plush new office-studio complex of 23 storeys in Montreal will go ahead anyway, at a cost of $66 million. If it turns out like the National Arts Centre we could be running into a $300 million or $400 million project.

Until the minister and his colleagues can find some way to stop up the open sewers in their bureaucracy down which tax dollars are disappearing at an ever-increasing rate, it is a mockery for him to call for self-restraint and self-discipline in spending. These untouchable government agencies are only one of several areas of uncontrolled expenditure that make it impossible for any accurate forecasts to be made or to run the country on responsible fiscal principles.

The other most important area has already been dealt with at length by my colleagues in the opposition. That is the area of shared-cost, open-ended, federal-provincial programs. I will not deal with them now beyond saying that they are bleeding the country white, and the reason is simple. For purely political purposes federal Liberal governments of the past five years have concocted these programs too hastily, forced them upon provincial governments in no position economically or politically to oppose them and have failed, in setting up these programs, to provide any controls whatsoever upon expenditures. It is an example of negligence and irresponsibility without parallel, and to persist in the imposition of national medicare while at the same time announcing the intention to withdraw from the scheme in five years is, to say the least, amazing.

Before I close, Mr. Speaker, I would like to say a few words about another area in which I conceive this budget to be particularly weak. This is its failure to give any recognition to the basic economic development which must be the forerunner and foundation of any significant social development. This budget makes much of the so-called social development tax. In my view this is simply a cheap method of camouflaging a straightforward, old-fashioned tax gouge.

• (4:00 p.m.)

I come from a part of the country that has more than a passing interest in wheat. It would be no overstatement were I to say that the social development of my area depends primarily on wheat. Foremost in the economic development programs of most urgency in my area is the development of a modern, efficient and effective sales and marketing set-up for wheat. Many speakers in many debates in this house have set out in detail just what a large and important part wheat plays in the Canadian economy and what a direct and important bearing it has on the well-being of many thousands of Canadians far from the wheat fields and the elevators. I will not go over that ground beyond quoting briefly from an address made only last month in Winnipeg by Mr. A. M. Runciman, president of United Grain Growers Limited. He said at one point:

> Wheat growers have a legitimate right to ask for some sacrifice on the part of the taxpayers to maintain Canada's great industry of growing wheat for export.

Mr. Runciman also said that wheat growers had their responsibilities to the taxpayers too. One of the chief of these I believe is to ensure that the industry of producing wheat is not allowed to degenerate into a make work business, sustained only by generous transfusions of tax dollars from time to time in the form of subsidies or other artificial stimulants.

If we are to demand support from the body of the Canadian taxpayers we must ensure that wheat production remains a vital, necessary and lucrative business. This much is demanded by the national interest. If we accept this responsibility, however, as wheat producers we surely have a right to ask that the government assistance that is essential under our existing laws in support of the sale and marketing of wheat be the most modern, progressive and effective that it is possible for us to devise.

It is exactly in this area that I wish the Minister of Finance, and indeed the whole government, had shown some awareness of the vital necessity of moving swiftly and aggressively in the field of wheat marketing. I have no wish to burden the house with a detailed discussion of the complexities of wheat production, sale and distribution in

today's world market. It will suffice for me to quote Mr. Runciman once again. He said:

It is doubtful if exports this year will go over the 350 million bushels.

This, in a nutshell, is our problem—declining export sales in a world market where old, traditional customers are becoming less and less dependent upon us, new customers are ultra price conscious, and competition and production have gone up sharply.

One of the chief competitive factors we face in Canada is the greater flexibility our competitors enjoy in pricing to make sales. Our present set-up, which has served well and profitably over many years, has become a handicap in the changed circumstances of the world wheat marketplace. Valuable as may be a national grains council, I do not think the pressing facts of Canada's economic life, and particularly the pressing facts of western Canadian economic life, permit us the luxury of waiting until such a necessarily cumbersome body gets down to work. I would suggest that what we need is an immediate and massive attack on the twin problems of pricing our wheat for sale in competition with other producing nations and a determined and businesslike approach to the question of surveying new markets, encouraging new uses of grains, and making new friends, customers and sales.

It is not enough any more to depend on detached, long range sales techniques. In today's world wheat users will not come banging on our door. We must bang on theirs, but in doing so we must be sure we have the goods they want to buy. Wheat sales made at a ministerial or ambassadorial level can no longer be depended upon. Special trade missions with limited life and scope will not serve. We want special, expert, highly skilled and knowledgeable teams of Canadian traders on the job abroad 52 weeks of every year. We must have sales teams, market survey teams, promoters and idea men on this export job the year round, day in and day out. And behind them we must place the support of a very much stepped up agricultural research effort. We have to be aggressive. We have to go where the business is; we have to revolutionize our whole concept of selling wheat.

This, Mr. Speaker, is the sort of economic development which I believe should have been encouraged by this budget. This is the sort of concept the Minister of Finance might find much more productive of tax dollars than his present theories of regressive, inward looking and outmoded national financing. This failure to arouse the spirit of the country, this failure to meet the real needs of Canada at this time, and this abject surrender to a gloom and doom philosophy I believe stand as the great indictment of this budget.

The Canadian people will long remember the minister who fathered this creature for his timidity, his lack of spirit and his approach to great national issues which, when the test came, showed him to have the approach of a moneylender and the techniques of a loan shark.

[*Translation*]

Mr. Marcel Lessard (Lac-Saint-Jean): Mr. Speaker, rising for the first time in this 28th parliament, after an absence of three years, I would like, before making remarks on the budget and the economy in general, to congratulate you for the confidence which the members unanimously showed you by electing you as Speaker of the house.

Having had the privilege of coming to this house at the same time as our Speaker in 1962, I have had the advantage of meeting him, and I was not at all surprised that he rose rapidly to the responsible position he now occupies with tact and competence.

As I say, Mr. Speaker, I lived through the difficult years which this parliament experienced from 1962 to 1965, and I know that the 1965-68 period was just as difficult.

• (4:10 p.m.)

Indeed, during three and a half years, I took part in the debates many times, putting forward solutions and giving my opinions on the problems facing our country, and my area in particular.

Defeated as an independent candidate during the 1965 election, I accepted to be a member of the new Liberal team during the election of June 25 last, when the Canadian people gave this government and the Prime Minister (Mr. Trudeau) a clear mandate.

However, nobody expects miracles. Nowadays, every country in the world is going through difficult periods, and Canada as well. However, it is largely with us, members of this house, that rests the responsibility of deciding policies likely to provide all Canadians with one of the highest standards of living in the world.

Mr. Speaker, since I came back to this house, I have been happy to see that the atmosphere of the discussions has changed noticeably and that, in general, all hon.

members seem ready to co-operate in the best interest of Canadians. I think that this attitude of hon. members is due to the fact that more than a hundred of them are newcomers to the house and are interested in seeing this parliament progress as quickly as possible. I think it is the will of the great majority.

Personally, I agreed to come back to politics because I am confident that a renewed Liberal party, led by a dynamic and able young man, will find the new formulas needed to push our economy toward new heights.

The young people of Canada have also put all their hopes in that man and in this parliament, because to them the stakes are much more important; in fact, their future is at stake.

During the last few years, an always increasing number of students have reached the university level or have gone beyond the high school level. We have told them in the past that they would be successful if they continued their studies and became qualified. We led them to believe, and with good reason, that education was one of the conditions that would guarantee their future success.

In view of the technological changes which we have experienced in the last few years and which will increase in the years to come, I feel that we have not misled them by encouraging them to stay in school to acquire as much knowledge and as much competence as possible.

But today, Mr. Speaker, the problem which is facing us and which we must solve is that of an economy which is at a standstill and does not offer the job opportunities that those able young people trained in our schools are entitled to expect on the labour market. That is the tragedy, I think, that is the most serious problem and the great challenge we must face.

Personally, I cannot resign myself to seeing the young people back home expatriate themselves in order to earn a living. For too long now, we have seen that policy of inaction on the part of our administrators who banked on private enterprise and its good will. Far be it from me to blame private enterprise for that state of affairs. But this fact must still be recognized: in the past, our governments have relied on the more or less arbitrary decisions of private enterprise for the development of our economy.

But these times are gone and, today, it is the duty of the leaders of our country to intervene and to create the political climate and such conditions as will allow enterprises to be born and to flourish.

If we want to create an atmosphere propitious to the development of such undertakings and the economic progress of our country, the budgetary deficits Canada has known in the last ten years must come to an end. There is nothing worse then accumulated deficits, for they are the direct cause of the high cost of living, the increase in interest rates, in direct and indirect taxes and all the various taxes imposed upon the Canadian taxpayers.

It is our duty to return to the balanced budget, because no enterprise whatsoever can function properly when it anticipates on the income of future decades. In my opinion, the Canadian government cannot do better than private enterprise. Like Canadians themselves, it has limits to its spending capacity.

After discussing the matter with my fellow citizens, I have reached the conclusion that, for some years, the government should revert to the pay as you go policy. It should not incur expenditures which cannot reasonably be met through existing taxation and, if possible, taxation should be reduced. The present taxation system is detrimental to savings for all practical purposes. This inflationary period we have gone through is a reason why a man saving a dollar today will lose money tomorrow as this same dollar will have less purchasing power. In fact, I would say that, in its present condition, inflation encourages indebtedness. A man can today obtain more through borrowing than by waiting until later to buy what he wants with his savings. This is leading us into a disastrous situation. It will affect the family budget as well as the municipalities, school boards and the provincial and federal governments.

We must revert to a balanced budget, but we should not start by computing the expenses first and then obtaining revenues. In my estimation, a balanced budget consists in calculating first how it will be possible to obtain revenues through the existing taxes which the taxpayers can afford and the economy's producing capacity. On the basis of a probable and sufficient secure revenue, it must first be established in what fields the money is to be expended in order to stimulate our economy and our industrial development so that Canadians will be assured of some social security. However, our first objective must then take into account our economic development, because employment can create more income for the workers and they, in turn, are better able to look after their own social security.

I would like at this point, Mr. Speaker, to quote a statement made by the newly elected American president who, soon after his victory, said as reported on November 7 in *Le Devoir:*

> A return to a balanced budget is the sovereign remedy that Mr. Nixon intends to apply to the American economy to cure it of its ills when he comes to power on January 20 next.

Further on, in the article, we can read the following:

> By controlling inflation, a balanced budget will also greatly improve the balance of payments of the United States, submits the President-elect. American goods especially will be able to sell again at competitive prices in the world, which will promote exports and curtail imports.

• (4:20 p.m.)

In my opinion, in Canada, we have to restore a climate and an economic situation which will allow our industries to compete on foreign markets. If the formulation of this policy is considered in the United States, it should, all the more, be considered in Canada. The Minister of Finance (Mr. Benson) suggests that we go back to a balanced budget system and I fully agree with him on that. However, I would make a reservation with regard to the increase in the budget itself, because if we compare it with the budget of six years ago, we find that to all practical purposes, it has almost doubled.

I do not think that this is something we should be proud of because, as was so well put lately by the honourable member for British Columbia, strong governments are not necessarily good governments.

I think we should avoid over-expansion, particularly here in Canada. In my opinion, the economy has produced enough money during that period of time to balance the budget, but our successive governments have imposed a great many new taxes and raised existing taxes. This policy should be abandoned.

The government and the various ministers responsible for the estimates should keep within the sums allocated to them. In my opinion, the ability of a minister—and I think that should be one of the most important criteria for judging the competence of a minister—is not necessarily proportionate to the importance of the budget he administers or the number of employees working under him. He should be judged instead by the efficiency and the performance he obtains from each of his employees and each dollar at his disposal.

At this stage, Mr. Speaker, I think I should say a few words about the region which I have the honour of representing in the House of Commons, an honour which I share with three other members. The riding of Lac-Saint-Jean is situated in the beautiful region of the Saguenay and lake Saint-Jean, some 150 miles north of Quebec city.

It is a somewhat isolated area, a valley which one discovers after travelling along a magnificent highway which cuts across the Parc des Laurentides. This area, Mr. Speaker, has a population of 280,000, and its economy depends mostly on agriculture, the pulp and paper industry and the production of aluminum.

During the past 25 and I would even say 50 years, our region has developed a great deal but now, as is the case with several other parts of the country, we are merely marking time for our industries are not developing and, since we depend almost completely on primary industries, we have almost no secondary industries. Unemployment has reached a rather alarming level.

At the present time, according to the statistics of the National Employment Service and Manpower Centre of our area, more than 15 per cent of the manpower is unemployed and must rely on unemployment insurance benefits and various welfare measures to make both ends meet. Mr. Speaker, such conditions cannot go on and should not be allowed. We should do everything possible to cope with it.

The milk industry is the main occupation of the farmers in my constituency. They are grouped in a recognized professional association which is well structured. For a great number of years, it has fought for the interests of regional agricultural class. The Catholic Farmers Union, to which belong most of the farmers in my district, has, during past years, worked tremendously hard to promote the interests of the agriculutral class.

Farmers now have organizations that are able to represent them well and especially to provide them with the necessary technical information to permit them to operate their farms with the greatest possible efficiency.

Mr. Speaker, for some years now, the Catholic Farmers Union through briefs has been asking for the establishment of an agricultural marketing board.

I realize, of course, the difficulty of establishing a set-up of that kind, but those farmers are aware nowadays of the fact that in

order to be successful, to obtain some kind of security, to be able to share the well-being of the rest of the Canadian people, they must surely be more efficient and get a better income for their work as well as better prices for their products.

I therefore ask the government to co-operate with the above-mentioned organizations in order to set up as soon as possible the agricultural marketing board, so that we may once and for all find a solution to the farmers' problems.

Mr. Speaker, in the Saguenay-Lac-St-Jean area—as everywhere else in Canada—we were pleased to hear that the people in Gaspé would at long last know a period of prosperity thanks to the application of a huge development program costing some $258 million.

In the last election campaign, the right hon. Prime Minister of Canada, and several of his cabinet colleagues, pledged themselves to work hard towards eliminating regional disparities. The Saguenay-Lac-St-Jean region is now experiencing difficulties and I feel that with its tremendous potential it is certainly the ideal area for an experimental project in development.

That is why, in line with my commitments during the last election campaign and with the support of the ministers, and especially that of the Prime Minister, we ask that some body be set up and some study be made and some program be established, taking into account, of course, our potential and our needs.

I feel that the people deserve that the government take care of them, as we have even now the qualified people needed to make a success of such an undertaking.

We are not asking for charity, but merely that we get back part of the taxes that we and our large industries, such as Alcan, have paid to the federal treasury in the past, and are still paying for that matter. If that money, or part of it, were reinvested in the development of our area, not only could we cease to depend on the help of the various governments, but we could then generate new income for the government.

Mr. Speaker, I could not resume my seat without having pointed out one of the serious problems which industry in general must now face because of recent discoveries, which I feel is becoming an increasing challenge to man, I am thinking of the progress of technology, mechanical engineering and automation.

Throughout the ages, the methods used to produce various consumer goods have changed. However, our generation is witnessing a unique phenomenon in the history of humanity, namely the rapidity with which those technological changes are applied in industry. Their introduction in industry has changed the methods of production. If they want to survive and prosper our industries have no choice; they must adapt their methods of production to the exigencies of national and international competition. For enterprises, mechanization is not a luxury; it is a condition of survival. Those which refuse to modernize, to fall into step, are simply doomed to disappear.

Mr. Speaker, during the next five minutes, I would like to mention one of the problems raised by the application of changes in factories. Their effect is to modify greatly the traditional way of producing and, therefore, workers are greatly affected. The displaced worker must go through job retraining. Quite often he finds himself out on the street without any job or income and completely lost.

• (4:30 p.m.)

In a situation of this kind, a deep feeling of insecurity takes hold of the workers who will soon become the victims of our development. The present situation is all the more serious because the great majority of all industrial workers of this generation have been unable to take advantage of advanced academic training. For them, retraining is difficult, even impossible in some cases.

Confronted with the threat of mechanization and automation, the workers' unions have to fight progress, because they have no other alternative, especially when the unemployment rate is as high as it is today. Collective bargaining has become more and more difficult because, in addition to trying to improve working conditions and wages for the workers, the union leaders are compelled to fight dismissals resulting from technological changes.

Mr. Speaker, what is our responsibility as legislators in view of this situation? What have we done in the past? Very little, if anything. What does this government intend to do? I direct this question to the Minister of Labour, the hon. member for Verdun (Mr. Mackasey). I do not know.

Since I have returned to the house, most of the members who have taken part in this debate have not said anything on this subject.

I am surprised at that and concerned, because after listening to all the members' speeches and finding that nobody was raising the problem of technological changes that affect the workers, I am wondering if we are not on the point of forgetting that we have been sent here by the great majority of workers. Workers are nonetheless affected by these changes and most of them are responsible for our being here. When the time comes to send them the bill of our budget extravagances, generally there is no delay. We have some more evidence of that.

As administrators of the business of the nation, our first responsibility is to foresee. We have only to recall the numerous strikes in public services to realize that we did not benefit from the experience of private enterprise in the field of collective bargaining. We have granted the right to strike to public servants without making sure, beforehand, that effective and approved machinery would favour the signing of conventions without numerous strikes.

To get out of this mess, we have been forced to grant wage increases that started the whole inflationary process, at the expense of all, and mostly of our industries which have been in an unfavourable position with regard to international competition.

Here, in Ottawa, when there are problems, we proceed with royal commissions of inquiry. That is not necessarily bad, Mr. Speaker. But while we investigate and conduct studies, there are some who suffer from the fact that we are doing nothing. When the commissions present their reports—and normally they do—what happens to them? Most often, some officials take a look at them, a few newspapers print excerpts, but unfortunately, very often, the reports lie on the shelves or they rot in the files where nobody reads them.

In the field of labour relations, the Freedman commission reviewed the situation resulting from technological and operational changes in the Canadian National services. This report was published some time ago, but has anything been done about it? What plans are contemplated in order to implement the recommendations made by that commission?

There are several recommendations, Mr. Speaker, embodied in that report. One deals with the introduction of technological changes and if it were implemented through appropriate legislation, it might have a great impact on future collective bargaining.

[Mr. Lessard (Lac-Saint-Jean).]

In fact, Mr. Speaker, it is recommended by the Freedman commission that any technological change introduced during the life of a collective agreement should be subject to bargaining and that the workers could even go on strike if no satisfactory agreement is reached. Mr. Speaker the Freedman commission goes farther than that and this is very important.

It is recommended that those workers losing their jobs be compensated for their moving expenses, for the possible losses they sometimes incur and for selling their properties. It is even suggested that municipalities be compensated for the problems resulting from loss of revenues due to reductions in the number of employees or because of shutdowns by industry.

Mr. Speaker, if those recommendations are applied, they will have may implications. It will not be easy to make the companies understand this, and neither will it be easy to make the labour unions accept the regulations. However, I think it is our duty to tackle this problem and to find a solution to the application of modern technology which penalizes the workers for a time. It is indeed today's tragedy that the breadwinner lives with the impending menace of losing his job and his means of subsistence. I believe that is our primary responsibility.

I definitely intend to come back to this point because, as a worker coming from a working class family, I cannot dissociate myself from the problems of my fellow-Canadians, my fellow-citizens, my colleagues and my friends. One of the questions I was asked very frequently during the last election campaign was: "What do you intend to do to protect us against automation?"

I think workers can be protected through legislation, but they can also and above all be protected by a flourishing economy which will increase the number of jobs available. Technological progress would present no great problems, Mr. Speaker, if there were many jobs available, because then, simply on account of the departure rate, the mortality rate and the retirement rate, companies could introduce new techniques, new methods of works and new machines without great prejudice to the worker. But unfortunately this is not the case. At present, the workers have no alternative. They are being laid off and there are no jobs available. If there were, I would be the first to ask for an immediate application of technological changes, as this

would, in the end, result in an economy of efforts, which is not the case now.

As this is not the case, we must find means of protecting the workers. Before I finish my remarks, I ask the Minister of Labour (Mr. Mackasey) and the Minister of Manpower and Immigration (Mr. MacEachen), the two most involved here, to combine their efforts and bring this house to pass legislation as soon as possible to protect the workers' interests and insure full employment security for them and protection for their families.

Some hon. Members: Hear, hear.

[*English*]

Mr. Ambrose Hubert Peddle (Grand Falls-White Bay-Labrador): Mr. Speaker, I understand that the rules of this debate are somewhat elastic and I hope you will pardon me if I tend to test their elasticity. From the way our so-called reformers are debating overtime it may be some time before I shall have another opportunity to speak.

I want to talk about the time just before this government took office. For a few months before that time a mania was rampant in this country. That is what the press called it. That term did not emanate from this side of the house. Please bear in mind that it originated with an approving press, a favourable press, sometimes, one might say, an adoring press. They called it "Trudeaumania". For the fun of it I brought with me a little dictionary of synonyms and antonyms and looked up the different meanings of "mania". The different shades of meaning listed are: madness, insanity, furore, adoration, amentia, dementia, morosis, frenzy, delirium, delusion, hallucination, and brainstorm.

I shall begin, as a foundation for my remarks, by saying that this is a very shocking basis for any government. On June 25 the people of Canada were subjected to a test, to an examination, if you wish, to see just how seriously they were infected by this mania. Sir, the results of that test confirmed our very worst fears. It had indeed reached epidemic proportions, serious but not incurable in the west, serious in central Canada, possibly incurable or possibly not; I don't know. But in the east the mania did not get off the ground because we in the east had developed an immunity to manias. We in Newfoundland in particular had developed an immunity to manias. We have been suffering from a very serious case of Joey mania for the last 20 years but I am proud to report to this house that recovery is on the way. In any event, we in the east did not suffer from this mania.

• (4:40 p.m.)

I am going to make a few observations now and I will try not to be too much of an isolationist or too parochial. I also hope to make a few remarks with reference to the national scene which may be regarded as pragmatic because many Newfoundlanders are inclined to see all black or white and very little grey. However, I was elected by the people to come here and say what I think and not what somebody else thinks.

I refer first to a colourful magazine that came to my desk today, *"Montreal 68"*. I have been receiving it for some time and it is very interesting. It has an item headed "Montreal's Gift To Canada." For the benefit of the house, and I am sure not too many people are familiar with this, the article reveals that the full name of the Prime Minister (Mr. Trudeau) is Joseph Philippe Pierre Yves Elliott Trudeau and that he was born in 1919, which makes him 49 instead of 46. But that is beside the point, Mr. Speaker.

I now wish to quote from a week end newspaper which states that the Prime Minister addressed some "3,200 smartly dressed people" who turned up at a $50 a plate dinner in the grand ballroom of a downtown Montreal hotel. I have no doubt that they did turn up smartly dressed and enjoyed their $50 a plate dinner.

The tenor of the Prime Minister's remarks seemed to revolve around political participation in democracy. This seemed to be the whole gist of his speech. He is worried about people not participating in politics in Canada. I would like to point out that I have been a member of this house since September 12 and on only one occasion have I seen the Prime Minister sit in his seat and listen to the remarks of members of parliament. That one occasion was the speech of the Leader of the Opposition (Mr. Stanfield) in the debate on the throne speech. As the Prime Minister is known to be the author of the throne speech, naturally common courtesy compelled him to be here on that occasion, but on not one other single occasion have I seen the Prime Minister remain in the house after the question period.

He goes about this country and talks about participating in politics. I would like to point out that we have a participatory form of politics. The people of Canada elected 264 members to come to this house. This is the way they participate. I suggest that the Prime

Minister sit in his seat and participate once in a while.

Some hon. Members: Hear, hear.

Mr. Peddle: I am not worried because he is not here to hear my speech, but he is not even here to hear his own members speak. I am worried that this Prime Minister, who has been involved in Canadian politics only for the past two years, appears to know all the answers. But he gets up and with his ministerial following behind him he leaves, as though something dirty was going to happen here following the question period. He does not want to listen to the elected representatives of the Canadian people discuss their problems. He would rather go to a $50 a plate dinner in Montreal and invite the people there to participate in democracy. I suggest that the Prime Minister of this country sit in this house once in a while and listen to the representatives of the people. I suggest that when he rises from his seat and, with the ministers whom he permits to be here on a particular day, leaves the house, he is showing in no uncertain terms his contempt for parliament, his contempt for the 264 members who sit here, and his contempt for the Canadian people.

Mr. Benson: Where is your leader?

Mr. Peddle: And I see no reason in the world why he cannot test our present system of democracy which has been well tried. Our parliamentary system was not founded yesterday. When I entered the Newfoundland legislature for the first time some five or six years ago I confess that for the first six or seven weeks I said to myself, "This is a lot of garbage." But I soon found the reasons behind it. I soon found out, I soon learned and I soon appreciated why things were dragged out. We were members of the opposition and we were overpowered by a government that brought in legislation. But I could see that we were given the opportunity to question the legislation, to pick it apart, to examine it in detail. The system also gave the government the opportunity to stand behind its legislation and justify it.

Now the Prime Minister suggests that we speed up the parliamentary process, that we computerize it. According to the newspaper report he said:

> In this age of computers and instant communications, parliament can no longer proceed with its traditional slowness—
>
> [Mr. Peddle.]
>
> He is impatient.
>
> —without running the risk of always being left behind by advances in the life of society.

Mr. McGrath: He wants to computerize all of us.

Mr. Peddle: Maybe the Prime Minister would like to see 264 computers in the chamber. Maybe he would like to press buttons. Maybe he would like to become a benevolent dictator. This is what this statement suggests to me. He is worried because the Canadian people cannot participate in democracy. This House of Commons is the bulwark of democracy because here democracy is practised in this country. We do not want the Prime Minister, who came to power on a kind of a wave, a mania as the newspaper people described it, to come here and chip away at the bulwarks of our democracy. Let us reform parliament, Mr. Speaker, but I suggest that the Prime Minister is out to deform parliament, to destroy it. I quote again from the newspaper:

> He called upon the people "to let parliament know they don't want this kind of delay"—

On June 25 the people of Canada knew what they were doing.

An hon. Member: Or did they?

Mr. Peddle: Well, that is not the question, but they did elect 264 members to this parliament under our present system. They were not anticipating any fancy system that the Prime Minister might come up with later. This is the system under which they elected us. This is the system under which we must serve until somebody comes up with a better system, and I am not at all convinced that the Prime Minister has a better system.

• (4:50 p.m.)

The Prime Minister suggests that he knows all the answers. I suggest he does not know the questions, let alone the answers. He says he expects to have a series of these $50 a plate dinners like he had in Montreal on Sunday night. I have news for him; he will have very few $50 a plate dinners in Newfoundland. This is all very fine, but the Prime Minister cannot wait until the end of the question period to get out of here. There would seem to be something unclean about this place. He must get upstairs, downstairs, or wherever it is, to closet himself with those pseudo-intellectuals, not the Canadian people, at whom he can crook his finger and say, "Come here, boy; I can use you." He wishes to further his

plans for some kind of a benevolent dictatorship or maybe one that is not so benevolent.

As I say, I am very concerned about this. It is all very well to be a member of the jet set. It is all very well to come swooping down in a jet, a helicopter, or what have you, speak to a group of people in a modern shopping plaza at the expense of the Canadian taxpayer in all probability, say a few well chosen words, give that famous smile, kiss a few teenage maidens, and take off again. I have figured out the reason the Prime Minister did not have much to say during his shopping plaza tours. He did not say much because he did not have anything to say. I have also figured out the reason for the famous haircut for which he is supposed to be responsible. It is not a hair style at all; it is only a very skilful attempt on the part of his barber to cover up his baldness. When the people of Canada realize this they may start to see through a lot more of these deficiencies.

The whole election campaign was won on two planks in the Prime Minister's platform. What were they? They were the just society and a promise to do everything that could be done about the regional disparity which exists in Canada. There is something else which has occurred to me. We have a new Minister of Consumer and Corporate Affairs (Mr. Basford) who is very very concerned about this matter. He is the champion of the Canadian people. A few days ago he made a speech in the house in which he was very unctuous and pious. He mentioned that he is very much concerned about the wording of contracts, the fact that the weight of a product might be half an ounce less than it should be as marked on the container, and things like that.

I should like to talk about the Minister of Consumer and Corporate Affairs, this Canadian politician who goes back and forth across this country making irresponsible promises, the politician who stands up and suggests to the people of Canada that at seven o'clock in the morning on June 26 they will have a just society. I cannot help it if the people swallowed this; apparently they did. Now we learn that it will take time to bring all this about.

It is the job of the Minister of Consumer and Corporate Affairs to see that the people of Canada are given the whole story. A few months ago the Prime Minister intimated to the Canadian people during the campaign that the Canadian economy was in wonderful shape. We know now that this was not true. Let us sick the Minister of Consumer and Corporate Affairs on him because he misled the Canadian public. One is not supposed to do this. If we are not to have a just society that is founded on hypocrisy we must see that the Ministry of Consumer and Corporate Affairs is a real factor.

This department should be dealing with advertising, for instance in respect of cigarettes. It is recognized and accepted throughout the world that cigarette smoking can lead to lung cancer, another lung disease the name of which I do not know, heart disease, and a number of other diseases. The Minister of Consumer and Corporate Affairs is very concerned about the fine print on finance contracts and about labels being correct; yet every time we sit down to look at television or open a magazine we see advertising that is designed to lure us into smoking a different kind of cigarette. We even learn that there is a new 12-minute cigarette that will give us lung cancer twice as fast as the compact 6-minute cigarette. All this goes on.

The minister is concerned about the fine print in contracts and the labels on packages, but these things will not give one lung cancer, emphysema or a heart attack. These are the things which receive the attention of the Minister of Consumer and Corporate Affairs while the cigarette manufacturers have a field day. They tell everybody down on the docks to smoke cigarettes. They show a big robust man with muscles. This will appeal to the younger generation. The suggestion is that you are a square if you do not smoke cigarettes.

This morning I saw a large billboard which said that everywhere today somebody is smoking a duMaurier. "Two pack Munro", as somebody said here the other day, says that smoking is declining for the first time since he became minister a few months ago. I am glad that he did not deliver the speech himself. He had his parliamentary secretary deliver it for him. I do not think he has any foundation for saying this, but it shows he is worried. What about the Minister of National Health and Welfare (Mr. Munro)? If his colleague the Minister of Consumer and Corporate Affairs does not take action in this regard it is up to him to do something about it. Let us wipe out some of the newspaper and television advertising in respect of cigarettes. Incidentally, I should like to say to "two pack Munro" that I smoke two packs a day also.

Mr. Munro: You shouldn't.

Mr. Peddle: As I say, there must be something done about this; otherwise we will be developing not a just society but a society of hypocrisy and a government of hypocrisy. If the government does not see its way to do something about this it will be the laughing stock of the Canadian people.

There is one other item I should like to bring to the attention of the Minister of Consumer and Corporate Affairs. Remember that on June 25 the people of Canada were sold a package. I suggest to members of this house that the package did not conform with the label indicating what was in the package. The label did not at all agree with what was inside the package. I refer to the practice of members of this present cabinet taking news releases of other members of the cabinet and rewriting them so they will be suitable for the consumption particularly of the voters of Newfoundland.

• (5:00 p.m.)

I will not put the whole of this on record but I should like to refer to a news release by the Minister of Forestry and Rural Development (Mr. Marchand). It was released some time ago but the date does not really matter. He announced new mills to boost the Newfoundland lumbering industry. It is a very cautious and businesslike statement in which it is mentioned that this help to the Newfoundland industry would be conditional. The minister emphasized that these were normal public measures to aid in the development of a chip mill at Happy Valley, Labrador, and a liner board mill at Stephenville. He was very careful to emphasize that these were conditional but normal public measures. The minister was also very careful to say that some $6 million or $7 million of the entire $20 million would be recoverable from the companies, and that a large chunk of this, namely, the Atlantic Development Board portion, would only be payable after the companies became operative.

I suggest that at the very same time Newfoundland's representative in the cabinet of the government of Canada issued a release. What did he represent those measures as being? He represented them to the Newfoundland consumer as a great, magnanimous gift from a magnanimous government. He mentioned nothing about conditions and nothing about these amounts having to be repaid by the operating companies. He mentioned nothing apart from the fact that Newfoundland was to be the recipient of a $20 million gift from the government at Ottawa. We have a Minister of Consumer and Corporate Affairs to protect the Canadian public against wrong labelling and so on, but who is going to protect the Canadian public from this type of misrepresentation which is just as serious as improper labelling?

An hon. Member: Who will protect the Minster of Defence Production (Mr. Jamieson) from the government?

Mr. Peddle: Let us have another minister to protect the people of Canada from irresponsible politicians.

I promised not to become insular or parochial, but before resuming my seat I should like to put a few words on record about regional disparity. Let me give the house an example of regional disparity of the type that should be labelled "made in Canada", by the government of this country. I refer to the installations and buildings maintained by the Department of National Defence in Canada. Very quickly I should like to give figures in relation to the total number of people, both military and civilian, employed in the provinces in this regard. In the province of Newfoundland there are 559; in the province of Prince Edward Island, there are 1,674; in the province of Nova Scotia there are 20,105; in the province of New Brunswick there are 7,612; in the province of Quebec there are 15,227; in Ontario there are 42,071; in the province of Manitoba there are 8,785; in Saskatchewan there are 2,214; in Alberta there are 8,877; and in British Columbia there are 12,782. Surely this is regional disparity of a kind that should be labelled "made in Canada." Perhaps it should be stamped, "made in Canada by a government with obviously no concern about correcting it." Some attempt should be made to equalize defence spending across this country.

All sorts of things of a serious nature to the province of Newfoundland have taken place since this government took office. Let me refer to the salt rebate program. The Minister of Defence Production has belittled this program. He is an affluent man and knows nothing about poverty. He suggests this means only $50 or $60 to the fisherman. From very good advice I know that it means $170 or $180 to some of our fishermen, and twice as much or $340 when that man is fishing with his son. The minister has suggested this is band-aid treatment. I asked the doctor who shares my place here what one should do if one has a wound and only has a band-aid. I

asked whether one should pluck off the band-aid and let the victim bleed to death or leave it on until a better bandage was available. He replied that of course common sense would tell you to use whatever you had and make the best of it. He said we should not pluck away the band-aid in the way the Minister of Defence Production has suggested. His analogy there bears some examination.

I do not come here asking for handouts for the province of Newfoundland. We do not want silver platter treatment. Newfoundlanders do not want to be given a living but they rightfully feel they are entitled to the opportunity of earning a living. This is a responsibility of this government and I humbly suggest it should get going to find a solution, even at the expense of some of the other programs which cost millions of dollars.

Once the big problem of unemployment is solved the other problems will become smaller. I am sure that problems in respect of bilingualism will decrease. There is one common language in this country and that is the language of hunger. If you ask our unemployed, French speaking friends in Quebec what is more important to them, finding jobs or—

The Acting Speaker (Mr. Béchard): Order, please. I regret to interrupt the hon. member but his time has expired.

Mr. David Weatherhead (Scarborough West): Mr. Speaker, it is a great honour to rise in this house today to speak for the first time. It is also a great honour to be the first member of parliament for the new riding of Scarborough West. This riding was created in 1966 by the redistribution act, with the northern half carved out of the huge, old York-Scarborough riding and the southern half coming from the former riding of Danforth.

At this time I should like to pay tribute to the former members of parliament who served these two parts of my new riding recently, including Mr. Frank Enfield, Hon. Frank McGee, and Mr. Maurice Moreau, as well as the present member of the new riding of York-Scarborough (Mr. Stanbury). These members represented the old riding of York-Scarborough from 1953 to 1968. I should also like to pay tribute to Mr. Reid Scott, who represented the former Danforth riding from 1962 to 1968. While all these members did not belong to the Liberal party, they were all active and articulate members who served their constituents well, and it is a privilege and a challenge for me to try to follow in their footsteps.

Scarborough West comprises the southwestern part of the borough of Scarborough, which is the most easterly of the six municipalities making up metropolitan Toronto. It runs for about five miles north from the Scarborough bluffs of Lake Ontario and it is about three miles wide. In this comparatively small area dwell about 85,000 people, still predominantly of Anglo-Saxon origin but being more and more enriched by peoples of almost all racial, cultural and linguistic origins. Until the end of the second great war much of the riding consisted of farm land, but in the ten years or so thereafter it became completely built up, mostly with single family houses but also with some parts devoted to a wide variety of light industry.

During the election campaign last spring I devoted considerable time, while canvassing door to door, attending coffee parties and public meetings, to discussing the desirability of a one Canada policy, not only to allow equal opportunities for our French and English speaking peoples right across the country but also economic opportunities. Every effort must be made to develop those parts of Canada which, because of conditions, have not been so fortunate, particularly the Atlantic provinces, parts of Quebec and other rural areas in Canada.

• (5:10 p.m.)

While the great majority of my constituents are in the middle income bracket from which most of the taxes are raised to run this country, and while increasing living costs are pressing many of them quite severely, the people of Scarborough West are willing to concede that there are many parts of the country that need substantial, additional help, and they are willing to contribute to the worth-while and essential national goal of equality of opportunity no matter in what part of Canada one is born or lives. Therefore it is with much sympathy and some understanding that I have listened to hon. members in the house for the last two months relate in detail the problems particularly of the Atlantic provinces and some of the rural areas of this country.

I am sure that in the next few years our government, led by the initiatives of the new department of regional development, will add to and improve the many excellent regional development programs that we have started in recent years in order that this ideal of

equality of economic opportunity will rapidly become a reality. However, I trust that my hon. friends who represent these areas will also reciprocate this sympathy and understanding when we deal in this house with the problems of the great majority of the people of Canada, the problems of those who live in the urban areas of this country.

As is well known, about 70 per cent of all Canadians now reside in cities and within about ten years this figure will rise to about 80 per cent. Therefore in 1980 about four out of every five Canadians will not be in the outports of the Atlantic provinces or on the farms in the west but will be living in the great urban areas of Canada. Accordingly, now and to an ever-increasing extent in the near future, the problems of Canada will be the problems of Canadian cities. These problems are severe and their solutions are difficult and expensive.

However, if Canada is to prosper and remain a good place in which to live and raise a family, the problems of Canadian cities, in which most Canadians live, must be attended to and attended to quickly. Despite overlapping constitutional jurisdictions in some of the problem areas of pollution, transportation and housing, the federal government in my view must take a larger and more important role in dealing with these problems.

Of the various urban problems I would like at this time to say a few words with respect to housing. I was certainly pleased when the Prime Minister (Mr. Trudeau) appointed the Minister of Transport (Mr. Hellyer) as the minister in fact responsible for housing, because of his past personal experience in the housing industry in metropolitan Toronto, particularly in the Scarborough area, and because of the minister's reputation for getting difficult jobs done. I was also pleased when the task force on housing, under the direct leadership of the minister, was announced with a view to touring the country and getting the opinions of all interested and knowledgeable people and organizations with respect to this major national problem and reporting some concrete findings and proposals by early 1969.

As you may know, Mr. Speaker, a group of interested citizens and elected officials from all levels of government, school board, municipal, provincial and federal in the Scarborough area, including my good friend the hon. member for Scarborough East (Mr. O'Connell) and myself, discussed the problem and then prepared a joint brief which we had the privilege of submitting to the task force at its hearings in Toronto last month. While our brief did not specifically mention this, I believe first of all that a new federal department of urban affairs should be created. Such a department would be able to be an effective liaison not only between the various federal departments interested in urban matters but would be able to direct and increase the co-operation among the federal, provincial and municipal levels of government, which is so necessary because of the overlapping constitutional jurisdictions in this field.

Such a new department would also be able to focus federal interest and concern on urban areas and also stimulate research, both in our universities and in the department itself, on urban problems. We have had departments of fisheries and agriculture ever since confederation and now, when most Canadians reside in our cities, I strongly submit that a department of urban affairs, with its own minister in the cabinet, is not only desirable but absolutely necessary.

Second, Mr. Speaker, it is apparent that there is no shortage of land for housing, even in an urban area like metropolitan Toronto. However, the cost of land has risen so sharply in recent years that a modest home is no longer possible. While speculation accounts for some of the increase, it seems that this was made possible by the shortage of serviced land available for development. Municipalities have found it difficult to finance the costs of services such as sewers and water mains, and they have resisted a too rapid growth in housing until sufficient industrial development has been attained to offset the costs of future services such as education.

While some of the possible financial solutions fall mainly in the provincial field, such as a possible equalization of assessment practices on land and buildings to discourage land speculation and the transfer of most educational costs from the municipalities to the provinces, the federal government still has a definite part to play. One way to reduce land costs and make land readily available for housing would be to encourage municipalities and regional governments to act as developers on their own through land acquisition. Federal loans at favourable interest rates might be provided for this purpose on condition that serviced lots were leased or turned over at cost after services had been installed. Although C.M.H.C. can now act in partnership with provincial authorities, our experience in Scarborough with the Malvern project

would not suggest that involving the provincial authority leads to quick solutions. The regional or municipal governments, on the other hand, with appropriate assistance from the federal government could probably act more quickly in conjunction with their own planning authorities, thereby eliminating an important source of conflict.

Third, in order to achieve the necessary increase in housing units across Canada from the level of 180,000 in 1968 to 225,000 by 1970, in accordance with needs as projected by the Economic Council of Canada, we will require an additional $1 billion each year in residential mortgage funds. Substantial new sums of money will also be required for public housing to assist families with low and modest incomes, retired people and students. Therefore, much of the additional funds for residential mortgages will have to come from the private sector, and in our brief to the task force some of the following ideas were suggested by which these funds could be generated.

(a) Trust and loan companies could supply a substantially larger volume of funds to finance housing if present legislation were amended to allow them to borrow for terms exceeding the present limit of five years, in the same way as recent changes in the Bank Act permit chartered banks to borrow on subordinated, long term debentures.

(b) Trust and loan companies registered under the federal government deposit insurance plan should be permitted to increase their borrowing ratios from 15 times paid-up capital and reserves to 20 times these reserves. This would enable them to increase borrowing capacity in the market by 33 per cent and would enable them to significantly increase lending on residential mortgages.

(c) Pension funds are the most rapidly growing form of savings flow in Canada and have the greatest potential to contribute to the financing of new housing. However, in 1967 only 9 per cent of $8 billion in trusteed pension funds was invested in mortgages. If the pension funds were to increase by four times the proportion of their assets in residential mortgages, they would only equal the mortgage proportion in the portfolios of many life insurance companies. An active promotional program should be undertaken among pension managers to encourage mortgage investment, and the legislative requirements under which they operate should be thoroughly studied with a view to removing any technical or archaic impediments to their investing in greater amounts of residential mortgages.

• (5:20 p.m.)

(d) A secondary mortgage market should be established, with C.M.H.C. prepared to enter the market as a buyer as well as a seller. While C.M.H.C. should not be expected to guarantee the purchase of blocks of mortgages in the market in the absence of other buyers, any more than the Bank of Canada is obliged to support the Canada bond market under all conditions, a developmental approach on the part of C.M.H.C. to demonstrate a willingness to act as a seller or buyer in the interest of stabilizing prices would encourage the holding of larger mortgage portfolios by both small private investors and institutional investors concerned with liquidity.

Fourth, with respect to public housing, while the federal government supplies up to 90 per cent of the capital funds for public housing, up to 75 per cent for land assembly, and 50 per cent of the funds for subsidized rents in accordance with family incomes, the constitutional responsibilities for public housing lie largely with the provinces, and I would urge the federal government to take the lead in encouraging the provinces to create active housing authorities to make greater utilization of these programs right across the country. Although the quantity of public housing units immediately required is of paramount concern, we must be careful not to overlook the human aspects of the problem. If we continue to create apartment ghettos without providing recreational facilities, or without an appropriate dispersion throughout a somewhat mixed social and economic neighbourhood, or if we continue to treat public housing tenants as second class citizens, we can expect to find in a few years time that this great expenditure of public funds will have created serious social problems.

In particular, I would recommend using the present section of the National Housing Act which allows the spending of moneys by C.M.H.C. on ancillary matters appropriate to the project to encourage the installation of proper and sufficient recreational facilities in and about the larger public housing projects. The creation of proper public housing should be concerned not only with the bricks and mortar of the buildings themselves but also with the creation of the whole environment of living. Hopefully, it could be arranged to open such recreational facilities to the whole

surrounding community, but in any event I feel strongly that such facilities should be considered a necessary and integral part of any large public housing project.

While limited dividend housing has been subject to severe criticism, not the least in Scarborough, the program, given a sufficient supply of funds, could generate a major expansion quickly. Not the least consideration is the fact that though publicly assisted the housing is self-sufficient and particularly geared to families of moderate income.

Fifth, the lack of standardization on all building codes must be an important source of delay, red tape and added costs. Present building codes are too rigid and restricted, particularly in their response to new technology. C.M.H.C. should definitely take a much stronger lead in the standardization of regulations and products. Along this line it could encourage the use of new and cheaper materials and promote their acceptance by local authorities and building codes. It might also promote national standards in dimensions of windows, doors, etc., and it could test and promote the use of prefabricated modular units such as bathrooms, kitchen units and complete homes.

Lastly, rapid transit could play a major role in making additional land and satellite communities attractive for low cost housing. Adequate land for housing with convenient access to the city would tend to stabilize prices, rents and excessive speculation. The federal government's role in transportation in Canada's history is well established, with its support of railways, the trans-Canada highway, etc., and since the great preponderance of Canadians are now living in or very near to the big cities, subways and commuter rail services can no longer be considered as a purely sectional interest. Such rapid transit facilities must be built around regional planning in the use and development of land for housing, and the federal government, particularly through a new department of urban affairs, should closely co-operate with the provincial and regional authorities which constitutionally have the prime responsibility for such planning.

I see that my time is almost gone, Mr. Speaker, and I am sorry that I will be unable to comment directly on the budget in very great detail. In campaigning last spring I found that the people of Scarborough West were convinced that the present tax laws at all levels of government were inequitable and that substantial changes should be made to make taxes fairer to all concerned. I certainly share this view and to me, therefore, the reform measures in the new budget with respect to the increased taxes on life insurance companies, on the banks and on the resource industries, as well as the exemption from estate tax of estates left to widows, are very welcome and are definitely steps in the right direction. However, more important is the definite assurance by the Minister of Finance that substantial new tax reform legislation will be introduced within the next six months.

I hope that among the tax reform proposals next spring some form of capital gains tax will be found. I am therefore looking forward with high expectations to the new tax reform legislation in general since to me its implementation will be one of the most important things this parliament will be doing over the next three or four years. While no one likes increased taxes, I believe the people of Scarborough West and the country realize that the new social development tax of $120, which decreases for those having taxable incomes of less than $6,000, is necessary as a contribution by each of us to the large sums of federal funds being spent on the very necessary and worthwhile social programs of hospital insurance, and to post-secondary education, and medicare. I am very proud of the lead the Liberal party has always taken in establishing nationwide social programs of this kind, and I believe the people realize that moneys have to be raised to pay for them. This new tax and the substantial increases in taxation of the insurance companies, banks and resource industries already mentioned will definitely allow us to work toward a balanced budget in the next fiscal year, which will provide a firm base from which substantial tax reform legislation can be introduced, debated and implemented.

Before concluding I would like to mention my high hopes for the proposals that the parliamentary committee for reforming the rules and procedures of the House of Commons will be presenting to us next month. As a brand new member I feel a little presumptuous in looking forward to changes in the rules when I am very aware that I do not fully understand the present ones. I also try not to advocate change just for the sake of change. However, times are changing more quickly than ever before and the people of the country expect, and I believe have a right to expect, that parliament will be able to amend its rules

and procedures in order that the great backlog of proposed legislation in all federal departments can be brought forward, debated, amended as necessary and passed as expeditiously as possible.

I realize and agree that the rights of the opposition parties to fully criticize proposed legislation and the estimates, etc., have to be protected, but I am sure that full and adequate protection can be given while at the same time changing substantially the present rules and procedures to speed up the flow of parliamentary business. Such reform is greatly desired and demanded by most Canadians and surely it is a basic prerequisite before parliament can hope to deal with all the problems and challenges of Canada as it enters its second century.

• (5:30 p.m.)

Mr. Ray Perrault (Burnaby-Seymour): Mr. Speaker, I should like to congratulate my colleague, the hon. member for Scarborough-West (Mr. Weatherhead), on a very fine maiden speech and an excellent contribution to this debate. You know, visitors from other countries who have listened to the opposition speeches in recent days must retreat from this chamber in bewilderment and dismay. They must think to themselves, surely this is a paradox in paradise. When one listens to the opposition speeches, one must believe Canada is in dire ruin and unemployment is shockingly high; there is irresponsibility everywhere and disillusionment in the land. Frankly, Mr. Speaker, the case of the opposition has been so grossly overstated that it certainly is not going to influence the Canadian people. Almost without exception, these opposition speeches have been epistles of doom and disaster.

Mr. Richard: You should have heard the Liberals in 1960.

Mr. Perrault: These speeches lack the basic quality of optimism. If a Liberal were to refer to this glass of water he would say it is half full, but a Conservative or a New Democrat would say it is half empty. This is the difference in philosophy between these parties. There is a spirit of optimism which prevails in government ranks in this house. The Canadian people detected this difference between the parties and this is one of the basic reasons there is a Liberal government today while the other parties are in opposition.

I should like to refer to some of the facts relating to this budget. I should like to quote the remarks of some of the members of the opposition. On page 2262 of *Hansard* an hon. member is reported as saying there is a "lack of credibility" in the government. A prediction was made by one opposition member that the budget "will be a dismal failure". The prediction was made also that "hard times are ahead" and "there is a likelihood of tax increases". Then we had the prediction of "a deficit of alarming proportions". This can be found on page 2263 of *Hansard*. The budget critic of the New Democratic party said the budget was a "colossal fraud". Actually, these words are rather temperate in comparison with some other words which have been uttered during this debate. Then he said "the budget was unenterprising, unfair and a budget for the privileged". Suffice it to say that none of these members has ever been accused of being an optimist and, true to tradition, these are not optimistic remarks.

The fact is that during an extremely difficult time in the history of the world—a time of gold crisis, an international exchange crisis and monetary crises in a number of nations, Canada has weathered the storm remarkably well. These are the facts. At no time in the twentieth century has there been a more difficult economic storm for a Canadian government to weather. Yet this government has come through. And looking to the future, surely there are grounds for optimism—an optimism so lacking in the claims of the "gold dust twin" parties, representatives of which we have heard speaking in these past days.

We have seen exports increase in recent months. We have seen good support for consumer expenditures. We have seen sharp increases in tourist expenditures and we have seen a record number of housing starts. I had the opportunity of attending some of the housing task force hearings on the Pacific coast during the past week. I feel, as a result, it is most unfair for any opposition member to stand up and accuse the government of lack of action in the field of housing. I think it is most unfair, particularly in view of the excellent briefs which are being presented from coast to coast in this country. All parties should work together to support constructive action in the area of housing, especially for those lower income groups requiring special assistance.

As for the budget, you would think even members of the opposition would be able to raise a faint cheer for the 7 per cent increase

in gross national product in 1968. Even they should welcome the fact we are going to increase our real output in the neighbourhood of 3.5 per cent. This record is not as good as most of us would like, but it is progress; we are moving ahead.

An hon. Member: Do not be too critical or pessimistic.

Mr. Perrault: All is not "lost". The situation is not "desperate". Compared with some other jurisdictions we are doing extremely well. We, in common with most nations, are battling the twin evils of inflation and unemployment. The programs which have been launched by this government should produce beneficial results in both areas. When we talk about inflation in Canada, let us not use the word too glibly and attempt to portray Canada as a nation where inflation has run away, where it is out of control.

I have taken the opportunity of checking some facts. Australia, Thailand, South Africa, Switzerland, Portugal, Ecuador, Austria, Ireland, Pakistan, Italy, The Philippines, Japan, Spain, Bolivia, Turkey, Peru, and many other nations one could name all experienced depreciation in the purchasing power of their currency in 1967. All of them are battling the same problem we are battling here in Canada. In most cases they are fighting a less successful battle than we are in our own nation.

Our friends in the New Democratic party have been lecturing us during the budget debate, as is their wont, on the need for social planning. Let us look at Scandinavia which is supposed to be the shrine of socialist endeavour. While Canada's currency suffered a depreciation rate of 3.4 per cent in 1967, the rate in Sweden was 4.1 per cent, Norway, 4.3 per cent, Denmark, 7.6 per cent and New Zealand, also cited by our friends in the New Democratic party, was 5.8 per cent. Between 1957 and 1967 Canada experienced an average annual rate of depreciation of its currency of 2 per cent, while the rate for Sweden was 3.7 per cent and for New Zealand 3 per cent. These facts are not cited to support inflation but they represent an attempt to put inflation in Canada in proper perspective in the world, something I suggest the opposition members should have done before they made some of their comments during this debate.

I do suggest that for the opposition to imply that Canada stands alone in some sort of inflationary crisis is palpable nonsense, and they know it is nonsense. If we can agree on anything in this house it is that the government's efforts to battle inflation deserve the support of all parties. And in this fight against inflation the provinces must not opt out as "conscientious objectors" because there has been a vastly greater increase in provincial and municipal expenditures over the past ten years than there has been in the expenditures of the federal government.

Never have Canadians simultaneously sought national and individual freedoms on so wide and swift a scale and yet in the process set themselves on the brink of losing all freedoms by unleashing inflation. The opposition members in this house who suggest that the fight against inflation should be only a minor side skirmish are just as misguided as those who state that at all times and in all years the Minister of Finance (Mr. Benson) has only one useful function and that is to balance the budget. Both of these concepts are wrong, destructive and ill advised.

The goals today, as they have been elucidated by the Minister of Finance, are these: full employment, a high rate of economic growth, reasonable stability of prices, a favourable balance of payments and an equitable distribution of rising incomes. It was a difficult task for the previous Conservative administration to achieve a proper melding of these objectives. It is a difficult task for the government here today, just as it is a difficult task for the provincial governments. No one should suggest that budgetary problems can be resolved by some basic, fundamental, simplistic action like merely proclaiming that a budget be balanced and then proceeding to do so. And those friends in the opposition who would vastly increase our social welfare programs regardless of inflation advocate, in effect, policies that would be disastrous for those in need. We have heard many proposals from the opposition side of the house suggesting limitless increases in benefits to various people. Not once, Mr. Speaker, has a price tag been put upon these programs, and I say that is not responsible opposition. Unless increases in Canada's human programs are funded in increased productivity and in meaningful purchasing power, then these programs are a fraud, a delusion, and would be ruinous especially to those who live in deprivation.

• (5:40 p.m.)

During the recent campaign and during this session, Mr. Speaker, one clear message has issued from the government, and it is this: If we demand an increasing range of government supported services, then we must be

prepared to produce more and to pay more; to assent to more taxes, if these services are to be provided on the basis of economic reality instead of economic fallacy.

There is a widespread misconception, Mr. Speaker, propagated by opposition parties in the house that some sort of fiscal and financial fourth dimension exists, a monetary fourth dimension from which claims for government support can be satisfied. There is no fourth dimension of this kind. Neither this government nor any other government can hand out more than what it has taken from others, be it by taxation, tolls, fees, duties, or by the insidious and appallingly unfair method of inflation, which is the taxing of those who have to restrict their spending because their incomes do not rise as fast as the value of money falls.

The Economic Council of Canada reminds us, Mr. Speaker, that we must create 1.2 million new jobs in Canada every five years. The challenge before us, regardless of our political affiliation, is to bake a bigger economic pie so that there will be new jobs for our young people coming on to the labour market, and new taxes and revenues in order to bring the just society to more Canadians.

Those people who have participated in this debate and have had nothing but words of criticism for the efforts of this government should refer to a survey conducted by the Organization for Economic Co-Operation and Development which was issued this year. They will not find the same critical tone in this objective analysis of the way Canada's affairs have been managed. I should like to quote an extract from page 31 of the report:

> In the last two years, with the trend of business conditions changing quickly, the authorities have on the whole been successful in maintaining relatively high levels of employment while combating first excesses and then mildly recessionary tendencies appearing on the demand side. Both monetary and fiscal policies have been rather promptly adjusted to changing conditions.

This report is not a partisan one, Mr. Speaker. The Organization for Economic Co-Operation and Development is a group set up in December, 1960, by the member countries of the Organization for European Economic Co-Operation and by Canada and the United States. Canada is held in high repute in international monetary and financial circles for the job we are doing in trying to restrict inflation as much as possible while at the same time maximizing employment opportunities. We have in this budget, something that reflects admirably and well the government's intention to press on with this realistic approach to promote programs that at some later date will be productive of wealth for Canadians and our economy.

The opposition, Mr. Speaker, represents this approach as some sort of fiscal calamity. In fact, vast amounts of money are being invested in programs which will within the foreseeable future pay rich dividends to Canadians in economically viable new regions of our nation and provide all Canadians with higher incomes. In the case of aid for higher education, in financial terms alone there will be a return of almost 20 cent on our investment.

All we have heard during this debate from the members of the opposition, Mr. Speaker, is narrow, negative, tunnel-vision criticism of the sort that cannot see beyond the next 12 months. The other day the leader of the Conservative party stood up like some biblical prophet and lectured the government on how it had failed the Canadian people, on how it had deceived the Canadian people. When the leader of the Conservative party was premier of the province of Nova Scotia he grabbed federal money with both hands. He has never gone on record at a federal-provincial conference as telling the conference participants that no, they must refuse aid because this might cause an imbalance in the federal budget and that they should be concerned about the Canadian economy.

I ask you to listen to these figures, Mr. Speaker. The leader of the Conservative party, who the other day had nothing but condemnation for this budget, should remember that in the year 1961-62, during that heady period of Conservative rule, the province of Nova Scotia received $56 million by way of federal payments. In fiscal 1967-68, as a result mostly of Liberal legislation, that amount had gone up to $181,702,000. This is for the province of Nova Scotia alone. I hear no members of the house saying that this aid should not have been extended to the province. Surely it is time for governments at all levels to give due credit to other jurisdictions attempting to assist them achieve certain economic and social objectives. This is not being done, Mr. Speaker.

The fund for Atlantic development has never been criticized by the leader of the Conservative party because the province of Nova Scotia benefits from that fund. I should like to refer to the fifth annual economic

council review, which shows that the province of Nova Scotia received from the Atlantic development fund a total of $52 million by the end of 1967. Mr. Speaker, as a British Columbian I am not standing here today declaring that there should not exist an Atlantic development fund, because this program is needed. But proper credit should be given to a federal government which has a deficit this year largely because of efforts to assist provincial governments like Nova Scotia. I suggest that it is easy to direct criticism at the federal government in a surface, narrow way.

If we examine the total contributions to the provinces, excluding tax rental agreements, we find that during the last year of Tory rule only $1.17 billion went to the provinces. This year, Mr. Speaker, $2.81 billion will go to the provinces. There, Mr. Speaker, is where you find a large part of the answer to why we have a deficit. Will one of the opposition members stand up before this budget debate has concluded and explicitly state which program should be cancelled in order to bring the budget into balance? Because this is where we separate the men from the boys, Mr. Speaker. These people who were ready to vote aye for medicare, for the Canada Assistance Plan and for the Atlantic development plan now stand up in righteous indignation and declare that the federal government is spending too much money.

Mr. Knowles (Winnipeg North Centre): Would the hon. member permit a question?

Mr. Perrault: Let one of them stand up and tell us what the opposition would like to have cancelled.

Mr. Knowles (Winnipeg North Centre): Would the hon. member permit a question?

The Acting Speaker (Mr. Béchard): The hon. member for Winnipeg North Centre has a question.

Mr. Knowles (Winnipeg North Centre): While the hon. member is on his feet, would he say that these plans should not be discontinued as far as the federal government is concerned in five years?

Mr. Perrault: Mr. Speaker, I have been listening with great interest to members who have neat, pat solutions to Canada's fiscal and monetary problems and I along with many others have been unimpressed. In those Tory days of which hon. members of the opposition have spoken so lovingly and nostalgically, on a per capita basis the provinces received $63.45 in fiscal 1962-63. This year the provinces will receive contributions of $135.81 per capita. It was $63 per capita in Tory days, Mr. Speaker; it is $135 per capita today. Again, I would ask the members of the opposition to tell us which programs they would like to have cancelled in their respective provinces in order to bring this budget into balance? Now is the time to stand up. We have been listening for six days to nothing but criticism; we now want to know which programs they want to cancel in order to bring the budget into balance.

In terms of a percentage of the gross national product, Mr. Speaker, the latest available figures show that 4.15 per cent went to the provinces in 1967-68, which is a vast increase over the days when the Conservative government was in power in this country. That Tory government with such an appeal for our friends to my left devoted 17.93 per cent as a total contribution to the provinces as a percent of total federal budgetary expenditures, less tax rental payments. In the fiscal year 1968-69 that amount has zoomed to over 26 per cent of the total budgetary expenditures. These are facts which are just as readily available to members of the opposition as to government members.

• (5:50 p.m.)

Mr. McIntosh: The hon. member tells only half the story.

Mr. Perrault: In efforts to hasten the establishment of the just society, in efforts to equalize economic opportunity, educational opportunity and an opportunity for a decent standard of health, Liberal governments have established steady and rapid growth in federal contributions to the provinces. The share of total federal budgetary expenditures represented by these contributions has nearly doubled during the seven year period ending in the current fiscal year 1968-69.

The Leader of the Opposition in this house should be among the first to give due credit to the federal government for what federal aid has meant to his home province. When we look at the budgetary estimates of his own province while he was premier it will be seen that his provincial budgetary errors in forecasting amounted at times to considerably more than the 4 per cent figure he describes as "irresponsible" when applied to the federal government. The last available budget from Nova Scotia indicates that over 50 per cent of that province's revenue derives from tax

sharing arrangements and other federal payments.

You know, Mr. Speaker, we often hear members of the New Democatic party in this house suggest, as someone suggested the other day, that it is unfair, unchristian, undemocratic and totally wrong that there should be so much unemployment in Canada. The last time the C.C.F.-New Democratic party was entrusted with governing any part of this nation was in 1961, in Saskatchewan. In 1961 I took the opportunity to visit Saskatchewan and I attended the Saskatchewan federation of labour convention. With the indulgence of the house may I be permitted to tell the house what the Saskatchewan federation of labour thought about the socialist panacea for unemployment. They said in their convention report:

> So far, the government of Saskatchewan has neither obtained the action from the federal government needed to increase employment let alone to create full employment, nor has it in the alternative, requested the necessary legal authority with a view to creating badly needed jobs—
>
> So far as we know nothing whatever has been done (by the CCF-NDP Saskatchewan government) in this connection, although the need for such a step has become extremely urgent—
>
> Even in such a relatively straight-forward matter as the collection of data on the labour force, nothing is being done within the province of Saskatchewan. We still have to rely almost entirely on the inadequate information provided by the federal government.

That is what was happening in 1961. Perhaps between 1961 and 1968 the socialist party in this house has evolved a magic formula to solve unemployment, something it could not do in 17 years of government in Saskatchewan. If they have discovered the new formula they have been remarkably successful in keeping it a secret. The fact is that when given the responsibility of government, political parties often change their attitudes. That is because they are faced with hard economic problems and facts, the solutions to which are not simple of achievement.

We have heard a great deal of talk about the 2 per cent social development premium which is to be levied on all Canadians. The funds from this source will be directed toward improving the health of the Canadian people. I do not like increased taxes; nobody here does. The premium is $120 a year, and there is a premium reduction for those who earn less than $8,000 a year, give or take a few dollars. That is the way to describe it.

For the family man with two children who now pays $150 a year in medical care premiums, the premium will be something like $66 a year. What does he get for it? In the case of British Columbia, the man's premier gets $23 million back in medical care grants from the federal government this year and over $50 million in medical care grants next year. These are facts. The man with two children should receive a premium reduction of about $75 a year in his medical care premium if, in fact, his premier passes along the full benefits of the federal medical care grants. The man making $3,500 a year with two children will pay $16 extra in taxes and receive back $75 in medical care assistance from the federal government, again provided the premier of the province passes this money along. But that is not the story told by the opposition, who wish to portray the government as a group of steely-eyed, heartless individuals intent on one thing only, the destruction of the little man.

The fact is that members of the opposition, almost all of them, voted for medical care and for the Canada Assistance Plan. They understood even in their remote way the need which exists in Canada. But it is not becoming of them, Mr. Speaker, to attempt to attack and denigrate efforts by the government to finance these great social programs. Their motives are patently political. Yet this is what we have seen in this debate. It has been suggested by opposition members that the medical care premium is—and I use their word—"oppression". It is clear that millions of people throughout the world wish they were suffering from such "oppression". Millions would welcome a medical care plan like Canada's.

It is most encouraging to hear the Minister of Finance say that in 12 months further reforms in our taxation system will be introduced to make taxation in this country more equitable.

This is a good budget, a heartening budget, a realistic budget, which sets worth-while and attainable goals. It offers more than pie-crust promises impossible of fulfilment. Above all, it is an optimistic budget reflecting the optimism which resides on the government side of the house with respect to the future of this great country.

In their frustration the fainthearted in opposition may condemn this budget, but the Canadian people are able to discern where their best interests lie. They do not lie on the opposition side of this chamber. They lie with a government which has established clearly

its priorities in order to build a strong foundation for the country through sound economic, fiscal and monetary policies—a government determined to strengthen national unity between our two founding races. These are the best possible guarantees that we shall see a just society in the years to come.

The Acting Speaker (Mr. Béchard): Order, please. As it is six o'clock this house stands adjourned until eight o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, just before the adjournment the hon. member for Burnaby-Seymour (Mr. Perrault) had read to us his continuing jeremiad against the opposition parties in this house. I do not mind the hon. member preaching for a call to a higher notch in the just society, but when he reads speeches continually—and it seems to be the same one we have heard on a couple of previous occasions—I wish his call for higher duty could be mixed in with some extemporaneous prayer.

As a simile the hon. member held up a glass which contained some water and said that a Liberal would call it a half full glass of water because a Liberal was an optimist, while we on the opposition side would call it half empty. Knowing the habits of the hon. gentlemen with whom the hon. member for Burnaby-Seymour is now associated in this house, I think he got his simile badly mixed. What really should have happened is that the glass would have been held up empty, but we would have been told it was filled to the brim with the most delicious of water.

Sir, it was about the time that the Prime Minister (Mr. Trudeau) was born that the Liberal Federation of Canada met in Ottawa and passed a resolution, part of which dealt with medicare. It may be of interest to the house that the seconder of that resolution is now probably our senior parliamentarian, Hon. A. W. Roebuck, who is a distinguished ornament in the other chamber. Now we are told by members of the government that having brought in medicare they are going to withdraw from it. I think their behavior here is likened very much to that of a frolicsome young bachelor who is able to talk a young lady into certain action, takes a look at the bouncing baby boy—

[Mr. Perrault.]

Some hon. Members: Shame.

Mr. McCleave: —finds out it is called medicare, pats the infant on the head and says, "But this entails too much responsibility, and so I am getting out while the getting is good."

Some hon. Members: Oh, oh.

Mr. McCleave: I could deal with the other so-called shared cost programs in the same way, but there are three or four of them involving ten provinces and it would take a somewhat lengthy period of time.

For the benefit of the Minister of Finance (Mr. Benson) I would like to say one thing before I turn to the main burden of my remarks about housing. It is with respect to a situation which I think is now developing across Canada in the collection of our national revenues. For years I believe the tax collectors had blinded their eyes to the so-called common law situations, but now they are not allowing people to claim as dependants those who are living with them in a so-called common law union.

This has been brought to my attention in at least one case in my area. The man in question has supported this woman for about 25 years but is not married to her. Now he has suddenly been told that he cannot claim her as an exemption. This will cost him a sum of $200 out of his own pocket. He wrote a very graceful letter in which he asked the Department of National Revenue to assume the responsibility for the lady, and see if they could feed and house her on $200 a year. But the letter unfortunately—

Mr. Benson: May I ask the hon. member a question, because I am sure he would not want to give the impression of producing the wrong kind of information. I wonder if he realizes that in fact our income tax law has never recognized common law relationships. If they have been allowed it is because they have never been picked up. I also think it is very unfair.

Mr. McCleave: Mr. Speaker, I thank the minister for his generous remarks. I think I did indicate when I was drawing this case to his attention that it was a matter about which the tax people had suddenly become aware after a large number of years. In any event my friend's letter, in which he offered to consign the lady in question to the Department of National Revenue if they could feed and house her for $200 a year, apparently fell into the hands of the computer in the department,

because he did not get much satisfaction in the reply. Now, knowing that the minister is aware of the situation, I hope we can expect happier news in that direction when the next budget is presented by the hon. gentleman.

Now, sir, I wish to make a few remarks about the housing situation. This morning when reading a letter to the editor in the New York *Times* I was struck by some of the phraseology in it dealing with the terrible housing conditions that exist in many parts of the world, but in this case in particular in New York City. The writer pointed out that the pathology of deprivation to use his expression, meant that many people would be so emotionally crippled in their outlook before they even reached the first school years that tney could not carry on either as successful students or become successful citizens, but would instead become a burden to the state for the rest of their lives. I suggest, sir, that this wastage of human resources almost from the cradle is something to which we have to give a lot more serious attention in this rich country of ours. I think it is one of our most important problems and, as I shall note later on, I think we should make a rallying cry from here, from every legislative body, every council and chamber, every ratepayers association in Canada, that housing is a fundamental right of every citizen.

But before I get to that may I read from two newspaper clippings, the first from the Montreal *Gazette* of September 16, 1968, headed, "Poverty, Misery Found Here," which states in part:

• (8:10 p.m.)

Poverty in Montreal has grown at such a rapid rate in the last two decades that more than half of the city's population now suffers "intolerable financial conditions," a local welfare executive said yesterday.

G. Roland Hennessey, assistant executive director of the Federation of Catholic Charities, told a poverty conference at Loyola College that the gap between the haves and the have-nots is widening steadily.

"Deprivation increased statistically six per cent in the Montreal area between 1946 and 1966. In 1946, 27 per cent of the population was destitute. In 1966 the count was 33.3 per cent."

Mr. Hennessey said today 38 per cent live in poverty, privation and misery' and 50 per cent suffer unbearable financial hardships.

You might note that this story was almost buried on page 3 of one of our leading Canadian publications. Then from my own area there is a story back on page 5 of the Halifax *Mail-Star* for Wednesday, September 4, 1968, which reads as follows:

Low Rental Public Housing: $165 a month?

Low rental public housing at $165 a month? That figure is the break-even cost of Dartmouth's first public housing project.

Planning director M. E. Lloyd told city council last night the low rental housing units would actually rent at $65 per month. This, he said, represented a $100 deficit on each unit.

The relatively high cost, $17,809 per unit, of the 40-unit public housing project, failed to raise an eye-brow from Dartmouth aldermen when details of the proposal were outlined at last night's general meeting.

Then further on the same report notes there is a waiting list of 250 persons for the public housing in the city of Dartmouth. These are just two examples. They were not very commonly displayed either. Perhaps we are becoming apathetic about this; I do not know. However, I believe it is something with which we must deal. A few weeks ago a number of members of this house, my friend from Toronto Broadview, my friend from Vancouver-Kingsway, myself and the Minister of Transport—perhaps there were others who I may not have noticed—were at the Canadian conference on housing held in the city of Toronto. This was sponsored by the Canadian Welfare Council.

For several days we heard statistic after statistic and harsh fact after harsh fact poured upon us about the problems of poverty and how they affect the home environments of tens of thousands of Canadians. Many resolutions came forward from that housing conference, but I think three are worthy of being placed on the record of *Hansard*. I believe my friend from Broadview and my friend from Vancouver-Kingsway and myself claim some credit for the first one. In a political way we thought the conference could make its record more effective if it stated a simple declaration in its first paragraph concerning what should be the goal of Canada. Here it is, although not as we undoubtedly would have written it. However, this is the form in which it was written at the conference, and adopted:

The Canadian Conference on Housing (1968) declares that all Canadians have the right to be adequately housed, whether they can afford it or not.

Then I should like to read paragraphs 3 and 5 of the same report:

There should be greater freedom of choice of appropriate housing for low and middle income groups, choice with regard to location, design, and ownership (private, cooperative, non-profit, public).

Canadian housing goals will not be easy to achieve. They require much higher priority within the national economy and should be seen to be as

socially essential as education. No government is spending according to the priorities this conference insists on.

To that I say, "amen". Well, the problem is here; it receives a certain amount of publicity. A dominion-provincial conference on housing was held earlier this year. The former minister of labour who is now the Lieutenant-Governor of the province of British Columbia went about Canada last year investigating the situation. He held meetings everywhere. Now the Minister of Transport (Mr. Hellyer) in his capacity as spokesman in this parliament for the Central Mortgage and Housing Corporation is doing the same thing. However, I believe there are certain facts so obvious that any task force would fail to uproot anything new about them. There are certain hard steps which in the long run must be taken. Certainly the problem of land values demands an approach which probably is beyond the political philosophies of most of us. Yet these steps undoubtedly will have to be taken.

I think there are steps which should be taken now and which should have been taken at the time the budget was presented to us by the Minister of Finance (Mr. Benson). What group does the housing problem hit? I suggest particularly those in the low income brackets. The richer person will not have to sleep out in the open or on a muddy floor. He will find some place to lay his head and will be able to pay the price for that accommodation. But there are people who live in dire poverty in urban and rural areas in every province of Canada. For them we must emphasize over and over again, until it becomes a cornerstone of our political tradition no matter what part of the house we are in, that something must be done to see that more public housing is provided in Canada. It is as simple as that. There is something else which I believe could be brought about by federal impetus. I have in mind the provision of minimum standards in respect of housing across Canada. In this regard national standards are a help to municipalities which cannot afford the necessary research. I believe the federal authority could play a very proper role in this regard.

In my own city of Halifax minimum standards have existed for a period of approximately ten years. This has done much to build up the older stock of housing and maintain it at reasonable and livable levels in the city in which I live. If I have any objection to the minimum standards it is that they should be upgraded at intervals. Every decade the level should be raised another 10 per cent, let us say. In this way existing housing can be conserved. If the only approach to public housing should be that we have to pay up to $15,000 for an old home, tear it down and replace it with public housing so that the cost of every public housing unit in the development becomes somewhere in the order of $27,000 or $30,000, I dare say none of us in this chamber could go into a venture like that if we had to commit ourselves to an expenditure of that magnitude.

There is another step; that is, to get rid of the 12 per cent sales tax. I believe this is one of the most iniquitous taxes devised by revenue hungry people. Volume V of the report of the Carter royal commission on taxation deals with sales taxes, and at page 74 states:

• (8:20 p.m.)

On economic grounds, we believe, as we have already stated, that all goods and services used to produce or distribute goods and services for final use by individuals should be exempt from sales tax. To remove the regressive features of a sales tax we have argued that shelter should also be exempt from tax. There is, therefore, neither economic nor social justification for the taxation of building materials.

One of the effects of this sales tax is the inevitable and unfavourable increase it has on the cost of homes. The tax measure itself has to be administered by approximately 11,000 different organizations and companies across Canada which deal in building materials. They must employ extra staff or set aside time to look after these taxes. I know from personal experience, having dealt with some of these companies, that they have a terrible time in their dealings with the Department of National Revenue. This is not because the department has any idea about skinning them or making life miserable. It has been proven that this tax measure is difficult to set up administratively. This is true because wood products, for example, pass through many stages before they become part of a house.

In addition to the administrative difficulties involved in setting up this tax, the Department of National Revenue has changed the rules and regulations to my knowledge on at least two occasions, and perhaps more often than that. All these companies dealing in building materials have had difficulties with their initial assessments, and have then found that when the rules are changed the tax collectors come back, perhaps a year or two later, and re-assess the tax. This has made life extraordinarily difficult for them.

Leaving all these difficulties aside, and—perhaps some of them have arisen because of our psychological aversion to paying taxes—the fact is that the 11 per cent sales tax piles up administrative costs for those companies which deal with these building materials. In this way the 11 per cent becomes a higher percentage in relation to the over-all cost of a new house.

I suggest that if houses cost from $1,500 to $3,000 more because of the sales tax and its side effects, taken in conjunction with the high mortgage rates which all of us have to pay these days, many people find themselves with $500 to $1,000 less than they need to buy their own homes. When the Minister of Transport (Mr. Hellyer) comes back from his travels, or interrupts them, perhaps he should drop in on his good friend the Minister of Finance and persuade him that the elimination of this 11 per cent sales tax is a practical step to be taken immediately. This would put the cost of housing within reach of tens of thousands more Canadians who are now grasping at ownership but not able to reach it.

The Minister of Transport has at many meetings in various cities referred to conventional wisdom when faced with this old problem of housing. Perhaps he has suggested the same old solution. I do not know what else there is but conventional wisdom in this field. I do not think there is anything new under the sun in this housing field. Perhaps the minister will be able to find some new plan or scheme that is entirely different. If he does, he will have our entire appreciation, but I suggest in the meantime the elimination of the sales tax is a practical first step.

I intend to save some of my remarks for another occasion, but I think the government will have to recognize that if certain steps are taken as outlined in this budget it will be more difficult to find mortgage money for home building. Let me read very quickly in this regard from part of an editorial that appeared in this morning's Montreal *Gazette*:

> In the last federal budget, Mr. Benson, as the federal finance minister, imposed new, heavy taxes on the insurance companies. To compensate for the diminished income resulting from the new taxes, the insurance companies may shift more of their investments out of fixed-value, long term securities and into common shares.
>
> The insurance companies are permitted under law to invest 25 per cent of their assets in stocks. They now have in stocks far less than this permissible percentage. By moving into stocks they may not only hope for capital gains but would have the benefit of the 20 per cent tax credit.
>
> Mr. Benson has spoken of the wide tax reforms he may introduce in his next budget. If these reforms follow the recommendations of the Carter commission, they will increase the amount of the tax credit for the holders of common shares. This would of course have the effect of making fixed-value, long term investments, such as mortgages, still more unattractive.

This is a very substantial problem facing the minister and I suggest that consideration must now be given to the use of money sources such as the federal superannuation fund and the Canada Pension Plan fund in respect of the very important matter of housing.

Finally, let me again read this statement from the Canadian conference on housing, which I think should be adopted by all Canadian politicians, no matter where they serve:

> The Canadian conference on housing (1968) declares that all Canadians have the right to be adequately housed, whether they can afford it or not.

• (8:30 p.m.)

[*Translation*]

Mr. Gaston Clermont (Gatineau): Mr. Speaker, I should like to begin my remarks by recalling an event which occurred last September 12. On that day, the hon. Postmaster General (Mr. Kierans) issued a postage stamp commemorating Henri Bourassa, nationalist leader, member of parliament, journalist and founder of the newspaper *Le Devoir*, to celebrate the centennial of his birth. Henri Bourassa was born in Montreal on September 1, 1868. As a very young child, he moved with his father to Montebello, a small municipality in the riding of Labelle. When he was 21, he was elected mayor of his municipality. He had been offered the nomination two years earlier, but he was unable then to meet the requirements of the law. In 1896, he was elected to the House of Commons as a Liberal member for the riding of Labelle, which he represented until 1905. In 1905, he decided to go into provincial politics. From 1926 to 1935, he was again elected to the House of Commons, this time as an independent member.

The Secretary of State (Mr. Pelletier) opened last September 3 an exhibition presented by the public archives of the national library, thanks to the generosity of the Bourassa family, which let them have some very interesting exhibits. The exhibition is to continue until November 15, 1968 and is open to the public.

I should now like to quote some extracts from an editorial written by Claude Ryan

and published in *Le Devoir* on August 31, 1968.

A man independent by nature, Henri Bourassa had a taste of party politics at the beginning of his career. He very quickly moved away from them. His vocation lay elsewhere.

This vocation can best be summarized by two words. Bourassa had been born and was to spend his whole life fighting for freedom and justice.

Bourassa was the father not only of French-Canadian nationalism, but of Canadian nationalism. However, nationalism was never an end in itself for him. It was rather the form which his love of freedom and justice had to take at the time when he lived.

Mr. Speaker, I had the honour, on three occasions, to represent the former Labelle constituency. Once again, I take this occasion to thank the electors for this honour and also to thank the people of the new Gatineau constituency for their generous support on my election last June 25.

The hon. Minister of Finance (Mr. Benson) would have preferred no doubt to present to the house a balanced budget for the fiscal years 1968-69 and 1969-70 without any increase in taxes. He was not in a position to do so because of supplementary expenditures resulting mainly from joint federal-provincial programs which are not under the immediate jurisdiction of this government as they are administered by the provinces.

However, in the field of secondary education, the federal participation for the fiscal year 1965-66 was $40 million which included a special rebate to the province of Quebec. We find that, for the current year, federal transfers and cash payments to the provinces are estimated at some $500 million, which is equivalent to 12 times the amount paid three years ago.

During the present fiscal year, expenditures for university and post-secondary education amount to approximately $138 million more than forecast. On the other hand, the Canada assistance plan will be $47 million more than was expected. In the case of hospitalization, Mr. Speaker, the figures indicate an increase of $45 million. These three joint programs amount to a grand total of $230 million.

Mr. Speaker, three major changes not included in the calculation of the tax structure committee alone add $675 million in costs incurred by the federal treasury, compared with the projections for 1968-69, especially equalization payments to the Atlantic provinces for provincial post-secondary educational programs and other related programs, in order to assist as much as possible the provinces to rationalize social welfare and to distribute further the costs implied in the Canada assistance plan established in 1967. Therefore, the contribution of the federal government to joint expenses for social welfare has been raised from $211 million, as indicated by the projections of the tax structure committee to the present estimates of $413 million. As for the equalization payments to the Atlantic provinces, the projections of $410 million, will apparently reach $590 million. For provincial post-secondary educational programs and other related programs in 1966, the federal government accepted to pay 50 per cent of the operating costs. As a result, instead of expenses of $300 million in 1968-69, in accordance with the estimates, the total amount of the federal commitments to financial assistance for provincial education will have almost doubled, that is about $610 million. This does not include, Mr. Speaker, the huge expenses for adult education entirely paid by the federal government under a national program which will cost some $220 million this year.

Mr. Speaker, the Minister of Finance has been wise, as far as the estimates of the present financial year are concerned, to have refrained from trying, through financial measures, to collect sufficient revenues to balance the budget. In fact, as he suggested, such measures would have been quite strict and would have been prejudicial to the Canadian economy.

With regard to the year 1969-70, he was realistic and quite brave, because he could have gone to the capital market and obtained the revenues necessary to make up the deficit but, the provinces, the school boards, the municipalities and the private interests would have had greater difficulties in getting the necessary funds which they need, with the possibility of paying a higher rate of interest. In certain quarters, the Minister of Finance is blamed for the fact that the social development tax of 2 per cent does not bring any additional revenues to the provinces. According to the minister, the tax amendments suggested in the 1968-69 budget will bring, for the year of 1969-70, sufficient income to balance the budget. Otherwise, he would have had to increase the taxes further in order to transfer some to the provinces.

Mr. Speaker, with regard to federal contributions to the provinces and municipalities, such as equalization payments, social welfare benefits, health insurance, winter works, expenditures concerning the Trans-Canada highway, post-secondary education,

tax transfers and so on, from 1961-62 to 1967-68, they went from $900 million to $2.6 billion, which is about 26 per cent instead of 15 per cent of the total federal budget expenditures. That has no relation with the regular increase in tax payments made to the provinces with regard to personal income tax, which have gone up from 16 to 28 per cent, that is from $641 million to $1,829 million.

Mr. Speaker, the minister has announced on various occasions that, in 1969, the government will have to put before parliament a proposal to revise the taxation system in depth. I hope that this so-called social development tax of 2 per cent—the 3 per cent surtax levied since the beginning of the current year is supposed to end on December 31, 1969—will also come to an end on that date and that this revision will eliminate discrimination with regard to income tax.

Many criticisms have been made about the ceiling of $120 on that so-called social development tax of 2 per cent. But, Mr. Speaker, there have been precedents with regard to the maximum.

In 1951, when the old age security pension was adopted, a tax of 2 per cent was introduced with a ceiling of $60, and now this ceiling is $240. In 1965, when parliament voted for an abatement of 10 per cent on income tax, a maximum amount of $600 was also set. Similarly, with regard to the Canada pension plan, we have a minimum income of $600 and a ceiling of $5,000 which will be raised to $5,200 on January 1, 1969.

Once again, Mr. Speaker, I should like to draw this to the attention of the Minister of Finance. Other members have mentioned the fact that some people have to spend part of their income on such things as tools, equipment, books, even clothing in certain cases, and on transportation costs to get to work, and the fact that those deductions are allowed companies and the self-employed.

• (8:40 p.m.)

In this connection, here are few remarks and proposals made by the royal commission on taxation. I quote a few excerpts from volume 3, page 289:

> We now turn to consider the deduction of expenses by employees. The principle involved is clear enough. *All* the expenses incurred in the expectation of generating net gains, other than personal living expenses, should be allowed as deductions from all actual gross gains. Distinctions between the kinds and forms of taxable gains, and considerations of whether a net gain actually resulted from the expenditures, are irrelevant. The major problem would be to allow the deduction of all expenses laid out to generate employment income and yet to prevent the deduction of personal living expenses.

I shall now quote from page 312 of the same volume:

> We came to the conclusion that the most equitable course would be to treat employment income on the same basis as income from a business or profession. Expenses would then be deductible if reasonably related to the earning of income. The prohibition against the deduction of personal and living expenses as set out in section 12(1)(h) of the *Income Tax Act* would, of course, be applicable, as would the provision in section 12(2) that expenses must be reasonable in the circumstances.
>
> The deductibility of particular itemized expenses would then be determined in accordance with the rules to be applied to business expenses. Employees, like the self-employed, would not be permitted to deduct travelling and entertainment expenses in excess of the limits discussed earlier in this chapter.

Mr. Speaker, these expenses could be considered as acceptable to the extent of 3 per cent of the gross income or a maximum of $500. Any person having expenses over $500 could deduct them, with supporting proofs.

I would like also to deal with the legislation on small businesses loans, amended in 1967, to enable more owners of small businesses to take advantage of it. Another amendment would increase from $250,000 to $500,000 the approximate yearly income maximum required of a borrower. At the present time, a borrower may get a maximum of $25,000 only, a ceiling established in 1961 when this legislation came into force, to enable the owner of a small business to consider a substantial expansion of his enterprise. But in 1968 such a maximum is unrealistic, and this amount must necessarily be increased.

Moreover, the section on the 5½ per cent maximum interest rate should be amended. I recognize that it is very important for heads of businesses to secure loans, but how good is a 5½ per cent interest rate if bank managers find all kinds of reasons to refuse these loans?

As we all know, Mr. Speaker, this house very recently changed the farm loan corporation interest rate. It was 5 per cent. The farm improvement loan rate was also changed.

Mr. Speaker, I think that the minister of Finance should give serious consideration to my remarks and I think he could amend this section on interest rates without a review of the legislation by parliament.

Mr. Speaker, I would like once more to bring forth a matter I wish to deal with in this house. It has been raised by several members and has to do with water pollution.

Our area is affected by the pollution of the Ottawa River and of its tributaries. According to a study of the salubrity of the river, issued by the Ontario Water Resources Commission it has been found, in several places along the river, between Pembroke and Hawkesbury, that the water was not up to the required standards and that taking the necessary steps to control it would involve considerable expenditures which are far beyond the financial means of the municipalities concerned.

The Association québecoise des techniques de l'eau has held on February 12, 13, 14, 15 and 16, its fifth annual Congress, at the Sheraton Mount Royal Hotel, in Montreal.

The theme of that conference "Water, everyone's problem" was intended to illustrate that everyone should fully assume his responsibilities, if our society wishes to achieve the progress necessary to promote the rational use of water.

In the *Réalités* magazine about a year or so ago, a questionnaire was submitted to 25 Nobel Prize winners as well as to 25 of the world's prominent figures. One of the questions was: In your opinion, what are the most serious problems which the world will have to face within the next 20 years? The answers showed that population explosion was considered as the most serious problem; it was generally thought that such an explosion would cause food shortages, and poverty in under-developed countries and, furthermore, that man and industry would pollute water almost irretrievably unless a drastic change in the present approach concerning the use of that basic resource be implemented.

Conservation of water is everyone's problem. Therefore, governments, municipalities, industries and citizens in particular must fully assume their responsibilities.

We must get rid of an idea which is voiced too often by too many people: "Such and such an industry or municipality has yet to do something, so why me?" Too often, as result of this attitude no one does anything and our rivers continue to go out to the sea as they have always done, but with this difference that along the river, homes, industries and cities repeatedly use their drop of water.

Public opinion is already sensitized to the important problem of water pollution. Still, it is imperative that the people understand that solutions are difficult to find as well as costly.

In every country, the critical problem is that of finding the financial resources to be applied in a fight against pollution. It has been established that it would cost approximately $500 million to purify the waters for all Quebec municipalities with a population of 5,000 or more, and approximately $300 million to do the same for the smaller municipalities.

That is why financing the struggle against water pollution requires close co-operation between provincial and federal governments because the municipalities and cities do not have the required financial resources to solve this serious problem.

• (8:50 p.m.)

[*English*]

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, as a representative from northwestern Ontario, an area which constitutes slightly more than half of the land and water mass of the entire province and rivals each of the three prairie provinces in size, I wish to limit my remarks in this budget debate to the topic of regional economic development, with particular reference to the mid-Canada corridor concept. There has been a revolution in Canada's thinking about northern development. It was only a decade ago that a royal commission on Canada's economic prospects described as unfavourable the outlook for northern development. They could not see a very close analogy between the historical opening of the west and the similar pressure now for economic development of the north.

Frequently, northern Ontario has been referred to as an economic desert, conveying to us the impression that this great central part of our country is forever doomed to remain unpeopled and unproductive. In his history of Canada, Stephen Leacock more than 20 years ago wrote this:

> Perhaps the brightest page in these annals, is the record of discovery and exploration of the incalculable mineral wealth of the central wilderness of Canada between Hudson bay and the lakes. This means far more than the wealth itself, great though it must be, for it removes from our commonwealth its fatal geographical defect of an uninhabited and seemingly worthless central area which broke east and west apart.

Dr. Leacock's prophecy of a flourishing north has not yet been fulfilled, but many experts now believe that Canada's future is inseparably linked with the development of natural resources in the north. This vast undeveloped and most important area has the potential to support millions of people. The

advent of new and easier forms of transportation, better and cheaper systems of communication and modern technology applied to township development, carry the promise of considerable economic activity and settlement in Canada's north, this treasurehouse of national resources.

Recent economic studies and conferences have established that there are a number of problems in the development of the north which must be tackled. I should like to refer to just a few of these, Mr. Speaker. The first, and probably most important, is the availability of markets. Nothing can be done, no matter how rich and vast the resources, unless we have markets. This is more important to the north than to any other part of Canada. Resources will have to be developed, and on a large scale, in order to recover costs. Therefore large markets are needed, most of them outside of Canada. We must be widely concerned with the development of markets and our relations with countries which are going to be our markets, particularly I think the United States of America.

Second in the way of problems is the availability of capital. Most northern development involves very heavy investment of capital. Our future circumstances are not likely to be easy in this respect. We will live in a world of scarcity of capital for some time to come. There will be many competing demands for capital elsewhere, so if the north is going to develop it must be able to compete. We must have policies applied to the north, and to the country as a whole, that will attract capital. Capital has far less nationality now than at any time in the past, and it will go where the attractions are the greatest. In Canada the question of long term opportunity and security are very important.

Third in the way of problems is manpower. We face manpower problems in the north with which we in Canada have not had much experience. Northern development must proceed in a way that will give native peoples a future in their own country. However, nowhere in the past in Canada have we carried out economic development on the basis of involving the native people to any great extent. The danger is that economic development will run far ahead of the ability of native people to participate. We must do everything possible to shorten the time required to educate them sufficiently.

The fourth problem is transportation. Fortunately, there have been major new developments in transportation that offer great promise, although they still remain to be adapted to the particular problems of the north. In the meantime we must rely heavily upon rail transportation. Other areas of Canada have received great assistance in their development by means of specific subsidies from the federal government for reduction of freight rates in their respective territories. There is a precedent therefore for similar consideration of the needs of northwestern Ontario, as part of a national economic development policy. In the clamorous contention for equality, the just and reasonable demands of this great central section of Canada have gone unheard and unheeded. Its promise, therefore, has remained largely unfulfilled as a result.

The fifth problem is that of efficiency. The north will always be a high cost area. In the past, Canada has had a habit of letting other countries, particularly the United States, solve its development problems. But in this case, in the development of our north, Canada will have to make more than her customary effort to solve her own problems. Fortunately we can now use technology more extensively than in past development. The basis of research and development is already set up in our universities but we have not a big background in this respect as yet.

• (9:00 p.m.)

I wish now to make a few comments, Mr. Speaker, regarding what has become known in some circles as the mid-Canada corridor concept. The long range development of a coast to coast corridor through Canada's mid-north would go a long way to meet both the opportunities and the problems that have been outlined. Such a concept has been advanced in a corridor running from Newfoundland through Labrador, northern Quebec south of James bay, the northern Ontario clay belt, northern Manitoba, Saskatchewan and Alberta and into three arms—one stretching up the Mackenzie valley of the Northwest Territories, another into the Yukon, and the third into northern British Columbia. It generally runs between the narrow belt in which 90 per cent of Canadians live and what is considered to be the far north, and varies in width between 200 and 500 miles.

The Canada north development corridor is identified as an area with the following general characteristics: The climate is acceptable to working and living; the terrain is accessible and suitable for development; resources are abundant and well distributed; settlements already exist; there are potential urban growth centres; north-south transportation

routes already reach into the areas; and finally, new east-west transportation routes can be provided in a reasonable manner.

Preliminary study supports the concept of a coast to coast Canada north development corridor, Mr. Speaker, and a number of reasons are advanced to support the claim. Canada is expected to become a giant among the productive nations of the world, thus its future is inseparably linked with the development of the north. Such a development would require people, capital resources, foresight and initiative. It could be a challenge that would truly shape our destiny; a Canadian undertaking, financed by public and private funds and part of an overall national planning policy.

Of great consequence will be those elements of the national policy which direct economic activity and capital to certain specific areas in the development corridor. Northwestern Ontario is now ready to receive such special attention. It is obvious that the conscious creation and implementation of a Canada north development corridor concept as outlined must be a national undertaking, requiring vast amounts of public and private capital and manpower, and the support of the people of Canada as a national objective over the next several decades.

The provision of adequate incentives to bring industry and people into the area will play an important role in the establishment of the development corridor. Incentives for industry may vary from direct financial subsidies to the provision of tax regulations, and a transportation rate structure to allow new industries to operate competitively. Incentives for settlers may include high incomes, good employment opportunities, long holidays, and urban settlements of sufficient size with a wide range of services and amenities—perhaps a climatically controlled environment and good and inexpensive transportation linkages to other settlements in Canada north and south. While the rate of development in Canada north will, to a large extent, depend on the demand for its resources, the rate of development will also greatly depend upon a national policy which expresses the kind of nation in which Canadians wish to live.

Concrete plans to develop the concept are already in progress, Mr. Speaker. A two-part conference will explore the feasibility and that were first presented in a 1967 report. The conference will explore the feasibility and practicability of the development plan, and held in conjunction with it will be field trips to Siberia and northern Sweden.

[Mr. Penner.]

The conference will be sponsored by the University of Guelph, Lakehead University, Laurentian University and the Ontario government. It has grown from a vision of Richard Rohmer now a Toronto lawyer, who last year commissioned a research project by a prominent and well known research and planning firm of Toronto. The opening session of the conference will be held at Lakehead University next January 18 and 19. The second meeting, after the field trips, will be held in August 1969.

The federal government has agreed to support and participate in the conference, Mr. Speaker. The provinces and territories through which the corridor passes will also be asked to join as co-sponsors. Representatives of industry, labour, finance and commerce will also be invited to take part. The ultimate findings of the conference will be submitted to the governments involved for them to initiate further studies and policy leading to action.

To dramatize the project, a film has been prepared which is entitled "Leave this not to Cain". The title refers to Jacques Cartier's purported comment that the Canadian north was the land that God gave to the first murderer. The film unreels photographic and factual evidence that this is no wasteland, and that modern technology can make northern living comfortable and give it a distinctive appeal. It asserts that Canada is fortunate to have such a frontier, with its potential attraction for the restless young in search of a challenge. The film concludes:

> It is here, after all, that we will forge an identity. The land will form us. It will stamp us with its uniqueness. Always, from the beginning, it has been a bequest, the sort of gift a future can hinge on—the future of a whole people.

[*Translation*]

Mr. Herb Breau (Gloucester): Mr. Speaker, on the occasion of my first speech in this house, I should like to congratulate you on your unanimous re-election as Speaker of this house. Canada is fortunate in having been able to have you presiding over the proceedings of its legislators. Your integrity and your dignity represent the ideal required of leaders by the institutions of our parliamentary system. It is with admiration that I support the choice of this house.

I think it is suitable to point out the outstanding contribution of the Hon. Hédard Robichaud to the public affairs of Canada. I feel particularly proud of having been elected as the successor of a man so dedicated to his fellow citizens and to his country. I also

wish to express my admiration and respect for the premier of New Brunswick, the Hon. Louis J. Robichaud. The eagerness and courage with which he is serving New Brunswick show he is a great Canadian.

I also wish to express my most sincere appreciation to the right hon. Prime Minister, Mr. Pierre-Elliott Trudeau; he understands Canada and he is a real Canadian.

Some hon. Members: Hear, hear.

Mr. Breau: His leadership answers the aspirations of young Canadians and the needs of our country.

Since the house is now studying the budget speech, I would like to assure the hon. Minister of Finance (Mr. Benson) of my wholehearted support for his fiscal and budgetary changes.

This budget, Mr. Speaker, is realistic. It fights against inflation. It is unfortunate that the government should have to take steps to restrain development and diminish the purchasing power of the Canadian people. However, let us not forget that inflation always follows a boom which upsets the economic balance.

Certain members on the other side of the house have criticized this budget. They accuse the government of being irresponsible and bring forward all sorts of arguments, all of them unrealistic, in order to attract public attention.

To impose taxes is a difficult and complex job, Mr. Speaker.

However, I must remind those members that the Canadian people had the opportunity to listen to them and to their colleagues in the party before last June 25, and that on that date it chose the party it wanted. In my opinion, they are wasting their time trying to have their inconsistent fiscal policy adopted. They say that government expenditure is too high. However, they did not refrain from making promises during the last election campaign. I wonder how they would have managed to keep them without increasing expenditures or reducing certain services. Mr. Speaker, their attitude is completely illogical.

It is customary, I believe, for a member making his maiden speech in the House of Commons to talk about his riding. I should like to speak particularly about the future of the riding of Gloucester in view of the efforts made by the government to reduce the economic gap between the Atlantic provinces and the rest of the country.

The economic situation of the constituency of Gloucester is not flourishing because of a great number of factors. First, we are struck by the importance of the economic gap existing between the Atlantic provinces and the rest of Canada, and my constituency is badly affected. In short, from the economic point of view the geographic situation of the constituency of Gloucester is not so favourable as that of the other Atlantic provinces.

Another factor which is prejudicial to our economy is the psychological climate of the population. It is true that in a certain part of the constituency, namely the Bathurst region, wages are reasonable and maybe even appropriate. We find there a psychological climate more favourable to investment and, therefore, to economic development. Generally, that region is the most prosperous of the constituency.

However, as far as the rest of the constituency is concerned, the greatest part of its population is composed of fishermen, farmers or lumberjacks. We have seen in the economic history of other countries that people in such trades are not attracted by economic development. That economic situation is detrimental to the cultural and social progress of people and therefore there is a real danger of losing a great deal of skills which are so necessary to our country.

The fishing industry, at the present time, is having a hard time. Because of the unfavourable market situation, the prices paid to the fishermen are relatively low. Even under normal circumstances, fishing now requires technological studies and investment. The small fisherman—there are several of them in my riding—is still placed in a dilemma and lives in frustrating economic conditions.

Weather and soil conditions in our area are not very favourable to farming. Consequently, unless modern techniques are being developed in order to improve this situation, the small farmers in my area must forget about that avenue, or engage in it through sheer love of the thing or to provide for their own needs. It should be mentioned also that the main market for food products is located far away. Therefore one can reasonably say that farming at the present time is not a viable industry for the Gloucester riding.

• (9:10 p.m.)

As far as lumber operations are concerned, mechanization now eliminates the lumbermen. They are therefore forced to get into another field of work, which is very difficult for them.

The conditions I have just mentioned, Mr. Speaker, are well known to hon. members but, in my opinion, it is my duty to bring them up.

The federal government has done a lot already to improve the situation in my riding and to reduce the economic gap between the Atlantic provinces and the rest of Canada. In fact, two years ago, the government of New Brunswick and the federal government reached an agreement under which the latter undertook to co-operate in the implementation of a rural development program.

The news was very well received but after a while, since they had not understood the real meaning of the program, the people felt frustrated by the lack of visible results. The program I am talking about is only breaking ground for a real development scheme. It is a pilot project, therefore a program that will serve as a guide for subsequent programs. That program will have to make the population more conscious of development. If the people of the riding of Gloucester take part in the pilot project now under way, they will be ready to take advantage of other programs. They will see to it that those programs reach their objectives more easily and are consequently more advantageous for Canada.

The citizens of Gloucester were very happy to hear the Prime Minister say that the problem of national unity will not be solved as long as economic disparities have not been abolished in Canada. They have been waiting to hear those words for a long time, because they want to be first class Canadians. Therefore, the creation of a Department of Regional Development makes me very happy.

I read with great interest the remarks made by the Minister of Forestry and Rural Development (Mr. Marchand) before the Atlantic Development Board in Halifax on October 29 last. I commend him for the serious and realistic way with which he faces his challenge. To reduce the economic disparities between provinces, it is essential to initiate a well-planned study, geared towards a common objective. I mean by that that the federal, provincial and municipal governments, in short the whole population, must develop an objective to which everyone must hold fast.

The operation of the new department is now confined to the co-ordination of the efforts of the various departments, while appraising the markets for viable industries and preparing the various avenues necessary for development. But in my opinion, the minister must see to it that the government fiscal and budgetary policies make allowance for regional circumstances. He should also, in conjunction with the Minister of Transport (Mr. Hellyer), set up a more realistic policy concerning the transportation problems in the area.

The department will also have to consider the possibility for the federal government to have a greater concentration of its purchasing power in the Atlantic provinces. For instance, it should encourage industries, which are government suppliers, to settle in that area. The government national policies have not promoted progress in the Atlantic provinces in the past. I do not say that the future Department of Regional Development should not go beyond those three suggestions. Those are simply three examples of decisions which could stimulate the economy of the area. It will then be easier for the department to find means of reducing the economic disparities which exist, and to that end, it should provide for the establishment of basic guidelines concerning the maximum use of manpower by training a qualified and mobile manpower and increasing the quantity and the quality of jobs. It is a pity that most of the workers in our area should, at a certain age, have to leave the province in order to go somewhere else in Canada, or which is worse, to the United States.

We must also control the maximum development of the production potential of the Atlantic provinces through education, training and retraining and develop all human resources. Moreover, we must provide for accessibility to production technology, for the establishment of economic growth centres, for the orderly and planned use of financing as well as human capital.

The minister must also ensure the availability of essential services for the villages and towns that are potential industrial centres.

Encouragement must also be given to creative economic activities, use of an adequate and modern technology and development of viable economic activities.

Finally, we must see to the full development of our tourist resources and to the establishment of essential facilities for tourism.

[*English*]

The six principles that the Minister of Forestry and Rural Development (Mr. Marchand) has expressed to the Atlantic Provinces Economic Council are the essence of a very realistic plan. Of particular importance is the fifth principle mentioning the importance of

the people's participation. People must indeed become involved in this rural development. The whole scheme must be an effort of the entire population. Without that it will fail.

[*Translation*]

I should mention here the efforts made by the Conseil régional d'aménagement du Nord and The Northern Regional Development Council. Those councils of my district must ensure a minimum of support on the part of the population. They must really help the population to go through the psychological changes necessary to the development and, therefore, should be careful not to confuse people. They must inform people, explain to them the real meaning of the present projects and their relationship to future projects.

The lessening of the economic gap existing between the Atlantic provinces and the rest of Canada will have the effect of encouraging and reassuring the people of my district, but as the future Minister of Regional Development said, we shall not see the tangible results of this before some fifteen years.

• (9:20 p.m.)

The elite of today may still enjoy better conditions but it is not the elite which suffers the most today. It is true that it does not enjoy conditions comparable to those of their equals in the centre of Canada, but it is the small fishermen, farmers and lumberjacks I have mentioned who do not profit by the prosperous economy.

The few fishermen who are lucky enough to participate in the development of their industry, those who work at the paper mill of Bathurst, or in the mines or at the foundry of Bathurst may have a sufficient income. But the less fortunate will not participate in this development.

Most of them are between 25 and 60 and what is unfortunate is that the social assistance scheme does not solve their problems. Social assistance cannot—and I pray heaven that it will not—become a substitute for employment.

Even though our labour force is unskilled, it must be gainfully employed in order to avoid the danger of having unemployed people. I think that the government social assistance programs are obviously essential, but there must be some assurance that these programs are benefiting those in need of them and are not being used to destroy the people's initiative.

I think the Minister of Regional Development will be in a position to collaborate with the Minister of National Health and Welfare in order to establish regional policies ensuring social security as criteria vary with the different regions.

Regional criteria differ in rural areas from those in urban areas. The department must take future planning into account, because regional development in the interest of the population and economic progress call for planning: it is not done on short notice. In the meantime, short term solutions must be found in order to assist the less fortunate and those are two factors which are quite different.

Mr. Speaker, as the member representing Canadians of the Gloucester constituency, I wish to convey to the right hon. Prime Minister and to his government the assurance of my full co-operation.

I want to remind the hon. members that I am interested in the development of the Atlantic provinces for one good reason: because it is essential to Canada.

Mr. Bernard Dumont (Frontenac): Mr. Speaker, will the member allow me a question?

Mr. Breau: Yes.

Mr. Dumont: Could the hon. member for Gloucester—by the way, I congratulate him sincerely on his perfect bilinguism—could the member tell us whether he made representations to his government with regard to sending help to Biafra? He told us fishing income was not adequate in his riding and alluded to the shipment of salt cod to Biafra. If he did, when did he intervene?

Mr. Breau: Mr. Speaker, I do not quite understand the question. Is the member speaking of the shipment to Biafra?

Mr. Dumont: Yes, the shipment of salt cod to Biafra to feed the Biafrans. Did he make representations to his government in this regard?

Mr. Breau: It was not necessary to do so, because the government had already made efforts in that connection.

Mr. Dumont: Has the shipment reached Biafra—

[*English*]

Mr. Deputy Speaker: Order. The hon member for Battle River.

The Budget—Mr. Downey

Mr. Cliff Downey (Battle River): Rising to speak in this budget debate makes me sad, Mr. Speaker. I would like to speak in support of the budget, because I am sure the government has done its best, but I find there is precious little cheerful news in it for anybody, and certainly not for my constituents in Battle River. All the budget promises them is sweat, taxes and tears—their sweat their taxes, and Mr. Benson's tears.

To hear our Minister of Finance (Mr. Benson) weep over the terrible state of the federal government's finances is enough to soften the hardest heart, until of course you remember that he and his colleagues are the authors of their own misfortunes. However, he was able to choke back his sobs long enough to be able to announce that all of us will have to pay a new 2 per cent surtax on our incomes. He said this was necessary because federal finances were in such bad shape, and admittedly they are. He was very eloquent when he pleaded for everyone to cut back spending and save money, but certainly we have no evidence that the government is considering restraint in its administrative costs.

The Auditor General has reported that $2½ million is being paid out by three federal departments for new office accommodation, and an additional $1 million for equipment, I would gather mostly for prestige. Then, Mr. Speaker, there is that door hanging at the back of the centre block of the parliament buildings. It does not really look that much different from a great many other doors I have seen—I do not believe you could even drive a combine through it—but there must be something different about it because I notice we paid over $13,000 for it.

The Minister of Finance did not mention that while the government is supposed to be setting an example to the country and to individual taxpayers on how to save money, his colleagues in the cabinet are living high, wide and handsome at the taxpayers' expense. I would like to recall something that Thomas Jefferson said almost 200 years ago:

> I place economy among the first and most important virtues and public debt as the greatest of dangers to pursue our independence. We must not ourselves load up with perpetual debt. We must make our choice between economy and liberty, or profusion and servitude. If we can prevent the government from wasting the labours of the people under the pretence of caring for them, they will be happy. The same prudence which in private life would forbid our paying our money for unexplained projects, forbids it in the use of public money.

The minister did not mention the money that would be spent this year on the B and B commission, a mere few hundreds of thousands of dollars on top of the $7 million already spent on it. He skipped quickly over the fact that not every Canadian taxpayer will pay the full 2 per cent on his or her income. Only those earning less than $10,000 per year will pay the full charge. This country of ours, this bulwark of the just society is supposed to provide the same opportunity for all, with no discrimination; yet three quarters of our taxpayers will be paying an additional 2 per cent while about one quarter will pay considerably less.

• (9:30 p.m.)

As an illustration I will take an income of $4,000. On this an individual will pay a tax increase of $80. A man with an income of $40,000 will pay a tax of $120. The man with an income of $4,000 pays 2 per cent. The man with an income of $40,000 pays one third of one per cent. On top of all this the Prime Minister announced publicly that he would be trying to find ways to lighten the tax burden on the higher income groups. The Minister of Finance called the new surcharge on income a social development tax, but I am sure if his boss has his way and high incomes are to have their tax rate cut back we can look forward to getting hit with additional taxes in the next budget. The Minister of Finance probably will call it a poverty development tax, because if he and his friends keep going the way they are they will be turning all of us into the new Canadian poor.

This new tax perhaps would not have been so hard to take if it was really what he said it was, a social development tax. If some of that 2 per cent tax revenue was to be paid out for higher old age pensions, social assistance or veterans allowances, it would be justified. If it were put on our backs to help the people in our society who need real help just to stay alive at today's prices and with today's inflation, we might be happy to pay it. When we speak of inflation we must remember that no civilized country in the world ever adopted the extreme philosophies of either fascism or communism unless the middle class was first liquidated by inflation.

This was a desperation budget. Five years of uncontrolled and irresponsible spending by the federal government left the till empty. Desperate measures had to be taken to raise ready cash. The first and obvious step was to load a bigger income tax on the group of citizens least able to resist or talk back. That explains the 2 per cent surtax and the cut-off at incomes of $10,000. Our finance minister

then looked around at the next most helpless group, and found the old reliable area, the dead. Sure, he made estates passing between husband and wife exempt from taxation, but at the same time he more than received the money back by finagling the taxation rate on other estates.

Then of course we must look at the plight of those engaged in western agriculture. The men of the west are experiencing one of the most trying times in their history. People are selling their farms; some are hungry, and I might say that in respect of those that are not hungry or selling out, if conditions do not soon improve the nation will see one of the greatest bank robberies in history. But, no, we cannot afford an acreage payment or a subsidy for the farmers of the west. Under a previous Conservative government acreage payment cost the federal treasury approximately $46 million in one year. This was of immeasureable help to many people in buying their groceries throughout the winter.

This government has already spent $46 million on the national arts centre, that Liberal granite memorial across the street here. While I am dwelling on the figure of $46 million another matter comes to mind, which also concerns a matter of approximately $46 million. I refer now to our Canada 3 per cent perpetual bond issue of the dirty thirties. People who were patriotic bought these bonds because they had faith in the future and faith in the integrity of our country. I am sure, however, that their generous gesture did not include a gift of money to Canada for all time. After all it was a loan with interest to be paid at 3 per cent and every loan must have a maturity date. In this case the date was 30 years hence, or 1966. Any other financial arrangement that is even hinted at is completely out of reason. The subsequent events of 1966, the extending of the maturity date another 30 years at 3 per cent interest, in my opinion was an attempted swindle, the result of a blatant confidence game which if perpetrated by private enterprise would be investigated immediately, and penitentiary sentences would be handed out to those who instigated such a crime. We have had explained to us by our previous finance minister the reason it was not paid back; but let us not stand for any mamby-pamby financial jargon, because the facts are clear.

The facts are that the government of Canada asked for a loan from its citizens; it promised to pay 3 per cent on that loan until maturity after 30 years, or 1966 in this case. It refused to honour its debt. The market price has nothing to do with the value of the actual debt. Our government owes the people the face value of this loan. In my opinion this is a very serious matter, and one of principle which rises above academic political thinking. Something must be done, and done now, because we cannot let the integrity of Canada rot at the seams for the sake of the price of this granite museum across the street which, I might add, most Canadians will never see. If we are to expect the people of Canada to have confidence in our debt and to buy future bond issues, then we had better give them something on which to base their confidence.

Franklin D. Roosevelt said in 1932 in respect of debt that any government, like any family, can for a year spend a little more than it earns; but you and I know that continuance of that habit means the poorhouse. I think this holds just as true today as it did in 1932. All this is unpleasant and depressing, but I believe the worst feature of the Benson budget is its negative, defeatist spirit. It makes no provision for national development, for assistance to agriculture, for our export trade, or for our vital resource and service industries. It is an open admission of surrender to the influence of big business, and a shameful confession that the minister and his colleagues have neither the heart nor the guts to do the things that are necessary for Canada today.

It is not news to anybody that this government has written off the small farmer and the small businessman. So far as Ottawa is concerned, they have been classed as expendable for five years now. But it is news, and grim news at that, that the government by the terms of this budget appears to have written off the whole area of Canadian agriculture and large sectors of other vital basic industries. The members of the government appear content to sit tight in their Ottawa offices, raising money by taxes and loans while prices climb, inflation grows and interest rates soar. They appear to be unconscious of the fact that most Canadians are overburdened by taxes, frustrated by lack of government policy and action, and are growing increasingly depressed about the future.

In closing I should like to reiterate the sentiments expressed by one hon. member the other day. It would seem that to be a financial expert today is to pass our financial troubles on to future generations. No progress will be made in getting out of this financial morass in which we are mired until we

accept the responsibility of paying the debts of our time in our time.

• (9:40 p.m.)

I suppose to suggest here today that we as a nation should pay our way would label me as a bit of a square, but we all know what happens in the business field if we spend more than we make. I see no reason why the principles of business management should not also apply to the business of this nation.

Mr. Deputy Speaker: Is the house ready for the question?

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Some hon. Members: On division.

Main motion (Mr. Benson) agreed to on division.

WAYS AND MEANS

The house in committee of ways and means, Mr. Faulkner in the chair.

CUSTOMS TARIFF

1. That Schedule A to the Customs Tariff be amended by striking out tariff items 20925-1, 21045-1, 22001-1 and the heading thereto, 22002-1 and the heading thereto, 22003-1 and the heading thereto, 26325-1, 40938-1, 42761-1 and the heading thereto, 42762-1 and the heading thereto, 44043-1, 44047-1, 47600-1, 56400-1, and 69315-1 and the enumerations of goods and the rates of duty set opposite each of those items, and by inserting therein the following items, enumerations of goods and rates of duty:

Mr. Macdonald (Rosedale): Mr. Chairman, I have the suspicion that my hon. friends may wish to say something about this resolution in respect of the Customs Tariff. Perhaps whoever is the spokesman should be allowed to take the floor, and by agreement adjourn the debate.

Mr. Lambert (Edmonton West): Mr. Chairman, perhaps I might suggest that in view of the fact the subject matter of this resolution was considered last year by a committee of the house, and that during the intervening period some things may have happened, the minister would like to bring hon. members up to date by giving a short statement, to be followed by comments of spokesman for each party at the resolutions stage. That may be all that is required. I do not think we are in a position to do that this evening.

Mr. Benson: Mr. Chairman, that is the procedure I would propose to follow at the resolution stage of the Customs Tariff. This has been referred to a committee of the house and considered in some detail, except for those changes in respect of chemicals. Perhaps we could proceed with this resolution on Thursday, or tomorrow, at which time I could make a statement dealing with the individual items, and then move on to the next resolution, and so on.

There is one main resolution we should like to complete in addition to this, that dealing with anti-dumping. In view of this I might have the permission of the committee at this time to call it ten o'clock.

Mr. Baldwin: Mr. Chairman, I intended to suggest the same thing. In spite of some remarks to the contrary, this house has done very well and made remarkable progress. Perhaps we might call it ten o'clock now. If the house leader accepts that suggestion, perhaps he is prepared to indicate the business of the house for tomorrow.

Mr. Macdonald (Rosedale): Yes, Mr. Chairman. The proposal would be to take the third reading of the bill—

Mr. Knowles (Winnipeg North Centre): Perhaps before we do that, the minister should move that we rise and report progress and ask leave to sit again.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Macdonald (Rosedale): Mr. Speaker, the first item to be called tomorrow will be the third reading of the C.N.R. financing bill. If that is disposed of we will proceed to the Customs Tariff resolution.

Mr. Deputy Speaker: Order. Shall I call it ten o'clock?

Some hon. Members: Agreed.

Mr. Deputy Speaker: This house stands adjourned until tomorrow at 2.30 p.m.

It being twelve minutes before ten o'clock, by unanimous consent Mr. Speaker adjourned the house, without question put.

HOUSE OF COMMONS

Wednesday, November 13, 1968

The house met at 2.30 p.m.

PRIVILEGE

MR. DIEFENBAKER—INCOMPLETE REPLY TO QUESTION ON ORDER PAPER

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, last Friday the right hon. member for Prince Albert raised a question of privilege about the return made in relation to question No. 275. He was seeking the full addresses of those to whom certain payments had been made by the Company of Young Canadians. At that time I undertook to make inquiries. I can now report that later today a supplement to the return already made will be tabled.

Mr. Diefenbaker: Thank you.

HEALTH AND WELFARE

LEGISLATION TO ASSIST JUVENILES WHO SNIFF DANGEROUS SUBSTANCES

Mr. Max Saltsman (Waterloo) moved for leave to introduce Bill No. C-128, to prevent the sniffing of glue or other dangerous substances.

Mr. Knowles (Winnipeg North Centre): Explain.

Mr. Saltsman: Mr. Speaker, the purpose of this bill is to enable those seeking to assist juveniles who have become habituated to sniffing glue, nail polish remover or other similar dangerous substances, to undergo psychiatric treatment and to obtain protective care.

Motion agreed to and bill read the first time.

AERONAUTICS ACT

AMENDMENTS RESPECTING DEFINITIONS, REGULATIONS, ETC.

Hon. James Richardson (for the Minister of Transport) moved the first reading of Bill S-14, to amend the Aeronautics Act.

Motion agreed to and bill read the first time.

29180—169½

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

UNEMPLOYMENT IN LOTBINIÈRE CONSTITUENCY

Question No. 167—**Mr. Fortin:**

What was the total unemployment figure in the federal constituency of Lotbinière in 1962-63-64-65-66-67-68?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Manpower and Immigration as follows: There are no unemployment figures for areas of this size. The Dominion Bureau of Statistics produces unemployment statistics for Canada and the provinces only. The size of the labour force survey sample does not allow for the production of figures in any greater geographical detail.

POST OFFICE CONSTRUCTION, SASKATCHEWAN

Question No. 200—**Mr. Southam:**

1. How many post offices will be constructed in the Province of Saskatchewan during 1968?

2. Will the 1968 construction program include new post offices at Torquay, Saskatchewan and Glen Ewen, Saskatchewan?

3. What is the location of other towns, villages and cities in Saskatchewan where new post offices will be constructed in 1968?

4. How many new post office premises are to be provided in each of the other nine provinces of Canada in the year 1968?

Hon. Arthur Laing (Minister of Public Works): 1. Twenty-five.

2. Only at Torquay, Saskatchewan.

3. Construction will commence in 1968 at the following locations: Crown Construction: Allan; Cudworth; Dubuc; Esterhazy; Insinger; Mistatim; Prudhomme; Quinton; Torquay; Willow Bunch; Windthorst. Build to lease: Burstall; Cadillac; Creelman; Creighton; Domremy; Frontier; Imperial; Lanigan; Loreburn;

Questions

Lucky Lake; Paynton; Spy Hill; Stockholm; Tugaske.

4. Province	Total
Newfoundland	19
Prince Edward Island	1
Nova Scotia	20
New Brunswick	11
Quebec	132
Ontario	72
Manitoba	9
Alberta	13
British Columbia	15

REFORESTATION PROGRAM, QUEBEC

Question No. 240—**Mr. Laprise:**

1. Is there an agreement between the federal government and the Government of Quebec in regard to a reforestation program?

2. If so (a) when is this program to begin (b) in what region of Quebec is it to take place (c) what will be the cost of this program?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Fisheries and Forestry and Rural Development as follows:
1. No.

2. Not applicable.

RURAL MAIL ROUTES

Question No. 325—**Mr. Schreyer:**

1. What is the number of postal delivery rural routes in Canada?

2. How many, if any, are in excess of 30 miles in length?

3. Are tenders called in every case where a rural route delivery service is established or renewed?

4. If not, in how many cases have contracts for the rural route delivery of mail been given by other means of selection and what were the other means of selection?

Hon. Eric W. Kierans (Postmaster General):
1. 5561.

2. 2068.

3. No. Tenders are called when new services are established. Where rural route service is renewed, tenders are not called.

4. The present policy is: (a) tenders are called for all new services; (b) tenders are also called when a contract, transferred during the contract period to another person, expires; (c) if a contractor dies, or asks to be released from his contract, it may be transferred to another person for the balance of the contract period. At the end of that time, tenders will be called rather than the contract being renewed; (d) contracts for rural mail delivery service may be renewed, with the same contractor, for a further five-year period, if the service has been satisfactory and the amount of the contract does not exceed $10,000 per annum.

Information as to the number of contracts which have been renewed or transferred is not readily available and a great deal of work would be entailed in obtaining it.

RECOMMENDATIONS OF REPORT ON POSTAL SERVICES

Question No. 343—**Mr. Anderson:**

Of the recommendations of the Montpetit Report on postal services (a) how many have been implemented (b) how many have the Post Office Department and the unions agreed not to implement (c) how many and which ones have been rejected (i) by the Unions (ii) by the Post Office Department, and (d) how many remain to be considered?

Hon. Eric W. Kierans (Postmaster General): The report of the royal commission on working conditions in the Post Office Department contained 282 recommendations, all of which have been considered and discussed with the unions. The action on these recommendations has been as follows: 1. Implemented (a) in whole, 152; (b) in part, 53. 2. Rejected jointly by department and unions, 4. 3. Rejected by department, 4. 4. Relating to action exclusively within the jurisdiction of the unions, 13. 5. Set aside for negotiation at the time of collective bargaining, 22*. 6. Decision reserved, for further consideration by both parties, 34**.

NOTE: * Fourteen of the 22 subjects in item 5 were subjects of negotiation at the time of bargaining with the Council of Postal Unions. The remaining 8 concern employees outside the jurisdiction of the Council of Postal Unions.

** The 34 recommendations on which decision was reserved include 21 which have been covered in the list of demands submitted by the Council of Postal Unions and which have been the subject of negotiation. They cover a percentage of part time staff to be used in relation to full time staff, sharing of overtime, protective clothing, definition of preferred assignments, scheduling and rotation of annual leave, industrial first aid, nursing and doctors' care, transportation for employees and financial protection for wicket employees.

The other 13 deal with the definition of peak periods and emergency situations, composition of rating boards, rotation of shifts, development of appraisal and performance review program, fringe benefit study by the unions, letter carrier occupational diseases, alphabetical mail sorting systems and removal of snow around relay boxes. The department has set forth its position on these items and has invited the unions to make such further comment as they feel necessary.

At the time of the agreement with the Council of Postal Unions, it was separately agreed by management and union representatives that Mr. Justice Montpetit should be asked to review the recommendations in his report which deal with environmental and physical working conditions. He agreed to do so and the review is under way. Its results will be communicated to him by both parties and may be the subject of further discussion between the parties.

PUBLIC WORKS, TEMISCAMINGUE CONSTITUENCY

Question No. 426—**Mr. Caouette:**

Which works undertaken by the Department of Public Works are in progress at present in the constituency of Temiscamingue?

[*Translation*]

Hon. Arthur Laing (Minister of Public Works): Noranda—Federal Building: Replacement of windows; Installation of humidification system; Replacement of roof section; Interior and exterior painting of building. Rouyn—Federal Buildings; Post Office Building: Conversion of boilers to gas burners; Interior painting of boiler room; Addition to lunchroom for postal employees. Unemployment Insurance Commission and Income Tax Building: Replacement of windows; Repairs to boilers; Exterior painting; Interior painting —first floor.

[*English*]

LABELS USED IN CATTLE TESTING

Question No. 432—**Mr. Howard (Skeena):**

1. Since January 1, 1965 has the Department of Agriculture used any label or sticker relating to the testing of cattle for brucellosis containing, in addition to an identifying number, the words "Canada Agriculture Health of Animals Branch—Do not remove"?

2. In which countries were such labels printed and what amount of money was paid, and to whom for such printing?

3. In which country was the last order or batch of these labels printed?

4. In which country will the next order of Batch of these labels be printed?

Hon. Donald C. Jamieson (Minister of Defence Production): In so far as the Departments of Agriculture and Defence Production are concerned: 1. Yes.

2. In addition to the cost of printing, there are other costs such as cutting of the tags to size, making them up into pads, packaging and delivering them to various destinations. Therefore, the contract expenditures shown below are the full costs of the tags delivered to various destinations in Canada.

Since January 1, 1965, the Department of Defence Production made the following purchases of these tags on behalf of the Department of Agriculture: (a) March 1965, Ketchum Manufacturing Sales Ltd., Ottawa, $7,998.00, tags printed in U.S.A.; (b) April 1966, Kimball Systems Ltd., Toronto, $15,-704.28, tags printed in Canada; (c) October 1967, Ketchum Manufacturing Sales Ltd., Ottawa, $9,598.80, tags printed in U.S.A.; (d) August 1968, Data Factors Limited, Rexdale, $11,036.00, tags printed in Canada.

3. In Canada.

4. The next order will be printed in Canada provided the cost is fair and reasonable.

CITIZENSHIP COURT JUDGES

Question No. 444—**Mr. Robinson:**

1. How many Judges are there in Citizenship Courts in Canada, and (a) what is the remuneration paid them (b) what are the qualifications for appointment?

2. What are the locations of the Courts and how often do they sit?

3. Are there any vacancies to be filled at the present time?

4. Are any new appointments contemplated at the present time?

Hon. Gérard Pelletier (Secretary of State): In so far as the Secretary of State Department is concerned: 1. The governor in council may at any time appoint a person to act as a court in Canada for the purposes of the Citizenship Act. A person so appointed is not a judge. There are at present 45 such appointees, of whom 33 serve in areas remote from other citizenship facilities without regular remuneration or significant administrative support. These latter hear applications and present certificates on an irregular, occasional basis taking the small fee prescribed by law in return for the services rendered. Another 13 appointees are now operating full time as courts in 12 different locations across

the country. (a) Only persons appointed to operate as a court on a full time basis are paid a salary and the remuneration is $17,000 per annum for the presiding officers in Toronto and Montreal, $16,000 per annum for presiding officers elsewhere, and $11,500 per annum for the assistant to the presiding officer in Toronto. (b) There are no statutory qualifications for appointment.

2. Courts operating on a full time basis are normally located in Halifax, Moncton, Montreal, Ottawa, Toronto, Hamilton, Sudbury, London, Winnipeg, Regina, Calgary, Edmonton and Vancouver. Remote area courts operating on an occasional basis are located in the outlying areas of the Northwest Territories, Yukon Territory, British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec. Courts generally sit as often as circumstances necessitate.

3. There is at present no person appointed to operate full time as a court in Vancouver.

4. The appointment of a person to operate full time as a court in Vancouver is contemplated at the present time.

DISTRIBUTION OF NICKEL COINS

Question No. 473—**Mr. Howard (Skeena):**

From the time that the 1968 fifty cent and one dollar coins were distributed, what has been, by date, the number of each such pieces of coinage distributed through the banking system and what is the name and address of each bank to whom such a distribution was made?

Hon. E. J. Benson (Minister of Finance): The number of one dollar and fifty cent nickel coins distributed, by date, through the banking system, is as follows:

	(number of pieces)	
	$1	50 cents
August 1, 1968	266,000	1,164,000
2	4,000	16,000
15	60,000	—
16	—	20,000
October 7	—	862,000
9	—	720,000
10	—	240,000
11	380,000	78,000
15	282,000	42,000
21	919,000	218,000
25	55,000	—
29	56,000	—

Distributed through main offices of banks at the following points: (subsequent distribution to other branches is handled by the banks themselves).

[Mr. Pelletier.]

Vancouver: Bank of Canada; Bank of Montreal; The Bank of Nova Scotia; The Royal Bank of Canada; The Mercantile Bank of Canada; The Toronto-Dominion Bank; Canadian Imperial Bank of Commerce; Bank of British Columbia.

Calgary: Bank of Canada; Bank of Montreal; The Bank of Nova Scotia; The Royal Bank of Canada; The Mercantile Bank of Canada; The Toronto-Dominion Bank; Canadian Imperial Bank of Commerce.

Regina: Bank of Canada; Bank of Montreal; The Bank of Nova Scotia; The Royal Bank of Canada; The Toronto-Dominion Bank; Canadian Imperial Bank of Commerce.

Winnipeg: Bank of Canada; Bank of Montreal; The Bank of Nova Scotia; Banque Canadienne Nationale; The Royal Bank of Canada; The Mercantile Bank of Canada; The Toronto-Dominion Bank; Canadian Imperial Bank of Commerce.

Toronto: Bank of Canada; Bank of Montreal; The Bank of Nova Scotia; Banque Canadienne Nationale; La Banque Provinciale du Canada; The Royal Bank of Canada; The Mercantile Bank of Canada; The Toronto-Dominion Bank; Canadian Imperial Bank of Commerce.

Ottawa: Bank of Canada; Bank of Montreal; The Bank of Nova Scotia; Banque Canadienne Nationale; The Provincial Bank of Canada; The Royal Bank of Canada; The Toronto-Dominion Bank; Canadian Imperial Bank of Commerce.

Montreal: Bank of Canada; Bank of Montreal; The Bank of Nova Scotia; Banque Canadienne Nationale; The Montreal City & District Savings Bank; The Provincial Bank of Canada; The Royal Bank of Canada; The Mercantile Bank of Canada; The Toronto-Dominion Bank; Canadian Imperial Bank of Commerce.

Saint John: Bank of Canada; Bank of Montreal; The Bank of Nova Scotia; The Provincial Bank of Canada; The Royal Bank of Canada; The Toronto-Dominion Bank; Canadian Imperial Bank of Commerce.

Halifax: Bank of Canada; Bank of Montreal; The Bank of Nova Scotia; The Royal Bank of Canada; The Mercantile Bank of Canada; The Toronto-Dominion Bank; Canadian Imperial Bank of Commerce.

St. John's, Nfld.: Bank of Montreal; The Bank of Nova Scotia; The Royal Bank of Canada; Canadian Imperial Bank of Commerce.

Charlottetown, P.E.I.: Bank of Montreal; The Royal Bank of Canada; Canadian Imperial Bank of Commerce.

GYROTRON AT EXPO—COST AND REVENUE

Question No. 479—**Mr. Mazankowski:**

What was the total cost of the Gyrotron at Expo '67 and what was the total revenue from it?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The Canadian Corporation for the 1967 World Exhibition reports that: The total capital cost of the Gyrotron, including engineering, construction, inspection and testing but excluding operating costs was $2,944,670.08 and the total revenue from its operation, after deduction of the amusement tax, was $1,943,682.29.

CHARGES TO EXPO FOR MONTREAL MAGAZINE

Question No. 480—**Mr. Mazankowski:**

What was Expo '67 charged by the City of Montreal for the magazine "City of Montreal-Magazine Montreal" 1964, 1965, 1966 and 1967?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The Canadian Corporation for the 1967 World Exhibition reports a total cost of $250,000.

OPERATION OF HOVERCRAFT, EXPO '67

Question No. 481—**Mr. Mazankowski:**

What was (a) the cost (b) the operating cost (c) the total revenue from the operation of the Hovercraft at Expo '67?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The Canadian Corporation for the 1967 World Exhibition reports that: Parts (a) and (b) cannot be answered since the Hovercraft system was based on a concession agreement. This system was not the property of the corporation. (c) The total revenue for the operation of the Hovercraft system to the corporation was $65,560.98.

COST OF PRODUCING HOUSE OF COMMONS DEBATES

Question No. 495—**Mr. Mather:**

What is the production cost to the Queen's Printer for a volume of the debates of the House of Commons in (a) English (b) French?

Hon. Donald C. Jamieson (Minister of Defence Production): (a) The production cost to the Canadian Government Printing Bureau for one bound volume of the debates of the House of Commons for the 27th parliament in English was: $9.26; (b) The production cost to the Canadian Government Printing Bureau for one bound volume of the debates of the House of Commons for the 27th parliament in French was: $23.37.

Note: Bound editions of the House of Commons debates in either English or French were published in sets consisting of seven volumes.

DUTCH ELM DISEASE, NEW BRUNSWICK

Question No. 496—**Mr. Flemming:**

Has the government had its attention drawn to the serious ravages of the Dutch Elm Disease in New Brunswick and especially in the vicinity of Woodstock, and (a) if so, has the government, through the appropriate department or agency, any plans for assisting the Government of New Brunswick and/or any municipality in that Province in any attempts they may make to deal with the disease (b) if not, will the government cause inquiry to be made relative to the effects of the disease and any steps which may be taken to minimize them?

Mr. E. F. Whelan (Parliamentary Secretary to Minister of Fisheries): The Dutch elm disease situation in New Brunswick is under the close surveillance of the federal government's forest research laboratory in Fredericton. This laboratory is assisting the province and the various municipalities directly by conducting detailed surveys to detect trees suspected of being diseased, providing laboratory diagnostic services needed for positive identification of the presence of the causal fungus, informing municipalities and private owners of the presence of diseased trees and providing advice on control measures.

BANK ACCOUNTS FOR EXPO

Question No. 506—**Mr. Mazankowski:**

1. What banks and financial institutions received the accounts of the Canadian Corporation for the 1967 World Exhibition?

2. Which of these banks or institutions were designated by the Minister of Finance, as stated in section 13 of the Canadian Corporation for the 1967 World Exhibition Act?

3. Under what authority were nondesignated banks and not chartered institutions recipients of accounts for the 1967 World Exhibition?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The Canadian Corporation for the 1967 World Exhibition reports the following: 1. Bank of Montreal; Banque Canadienne Nationale; Canadian Imperial Bank of Commerce; Caisse Populaire Desjardins de l'Expo 67.

Questions

2. Bank of Montreal; Banque Canadienne Nationale.

3. Under the authority of Section 9 of the Canadian Corporation for the 1967 World Exhibition Act, with the approval of the Privy Councils of Canada (P.C. 1966-23) and Quebec (C.P. 2054).

PETITCODIAC RIVER CAUSEWAY

Question No. 522—**Mr. Thomas (Moncton):**

1. Were the final plans and specifications of the Petitcodiac River Causeway approved by the Government of Canada?

2. Was any guarantee given to the City of Moncton that such Causeway would not interfere with the sewage disposal system of that City?

3. Was the matter of the sewage disposal system of the City of Moncton taken into consideration when the study was carried out and, if so, what was the result?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): 1. Yes.

2. Not by the government of Canada.

3. Yes. Provision has been made by the province for conduction of sewage through the causeway from that portion of the city which is located upstream of the causeway.

IMPROVED TELEVISION FACILITIES, NEWFOUNDLAND

Question No. 530—**Mr. Carter:**

Does the Canadian Broadcasting Corporation have any plans to provide additional or improved T.V. transmitting facilities to the people of the southern Shore section of the Avalon Peninsula in Newfoundland and, if so, when will the necessary work be carried out?

Hon. Gérard Pelletier (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: Plans have been made to establish a television rebroadcasting station to serve the southern part of the Avalon peninsula which has been without adequate television service. The corporation has not yet established a firm timetable for the project since this is subject to availability and allocation of funds, but it is hoped that an application can be filed with the Canadian Radio-Television Commission in 1969.

SALE OF M.V. "SKEENA"

Question No. 551—**Mr. Durante:**

1. What amount did the Crown Assets Disposal Corporation receive for the M.V. *Skeena*?

2. By what concern or individual was it purchased?

[Mr. Pepin.]

3. Was the highest bid accepted and, if not, what was the highest bid?

Hon. Donald C. Jamieson (Minister of Defence Production): In so far as the Crown Assets Disposal Corporation is concerned: 1. $38,000.

2. Under its priority rights, the Department of Public Works.

3. The corporation advertised the M.V. *Skeena* for sale, and prior to the closing date of receipt of offers, the Department of Public Works confirmed its interest in acquiring the vessel. The corporation, therefore, under its priority procedures, negotiated with the Department of Public Works for acquisition of the M.V. *Skeena*.

COMMUNITY PASTURE ON INDIAN RESERVES, SASKATCHEWAN

Question No. 556—**Mr. Burton:**

1. Is there a community pasture project currently being developed on the Muskowekwan and Gordon Indian Reserves?

2. What government agencies are involved in the development of the project and what is the responsibility of each?

3. What is the acreage being planned for development on each of these two Reserves?

4. What tenders have been issued for development of this project?

5. What is the name and amount of all tenders submitted for each contract?

6. What contracts have been awarded to date?

7. What provisions do these contracts make for the employment of Indians?

8. Will the community pastures be for the sole use of Indian people?

9. What assistance is being provided to Indian people to enable them to make use of the community pastures?

10. What is the estimated total cost of the project?

11. What is the estimated carrying capacity of the pastures?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. Yes. There is one pasture proposed for each reserve.

2. Prairie farm rehabilitation administration and Department of Indian Affairs and Northern Development.

3. Gordon reserve, 9600 acres. Muskowekwan reserve, 7040 acres.

4. Tenders are to be called the week of November 11-16 for clearing approximately 5,000 acres.

5. See No. 4.

6. See No. 4.

7. During the construction stage every effort will be made to employ Indian people. Also, under section H of the agreement, it is understood that Indians will have first opportunity for employment and training in the pasture and its operation.

8. No, but Indians given first claim to use of pasture. Indians do not now have sufficient cattle to fully stock the pastures.

9. Band members already have cattle which can be placed in pasture when completed. Through rotating herd program and revolving fund loans, Indian people are being encouraged to increase their cattle herds.

10. $260,000.

11. When fenced and before improvements, about 1200 head. Potential estimate 3000 head after improvements and grass grown, etc.

FRED PROJECTS, NEW BRUNSWICK

Question No. 567—**Mr. Coates:**

Of the thirty-three projects carried out in the Province of New Brunswick under the FRED Agreement what will be the estimated final cost of each project, what will be the financial responsibility of the federal government and what will be the financial responsibility of the Government of the Province of New Brunswick in each instance?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): A project cannot be declared "carried out" or complete nor can its estimated cost be given (due to fiscal funding and changing circumstances) until the term of the FRED agreement (10 years) has almost run its course.

Under a FRED agreement, projects are recommended to the treasury boards of both the federal and provincial governments by the joint advisory board, which is composed of senior federal and provincial officials. This advisory board has no authority to fund or implement a project but no project can be considered by either Treasury Board unless it has been recommended by the advisory board.

Funding of a project is done on a yearly basis by both governments. A project may continue for the life of the FRED agreement (up to 10 years) or may remain dormant for some years until reactivated on recommendation of the board. Funds allocated during a fiscal year may be adjusted between or among projects under a program within an agreement by mutual agreement of the federal and provincial FRED co-ordinators, but funds may not be moved from one program to another without FRED Board recommendation and approval by both treasury boards.

FRED PROJECTS, QUEBEC

Question No. 569—**Mr. Coates:**

Of the four projects carried out in the Province of Quebec under the FRED Agreement, what is the estimated final cost of each project and what is the percentage of cost that would be the responsibility of the federal government in each instance and what is the percentage cost to the Government of the Province of Quebec in each instance?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): See answer to question No. 567.

DAIRY PRODUCERS

Question No. 591—**Mr. Clermont:**

How many dairy producers were listed, in 1966 and 1967, in (a) Canada (b) Quebec (c) Ontario, as producing the following dairy products (i) raw milk (ii) industrial milk (iii) cream?

Hon. H. A. Olson (Minister of Agriculture): The numbers of industrial milk and cream producers listed with the Canadian Dairy Commission are as follows. The data requested for raw milk shippers is not available from federal records.

	Industrial milk		Cream	
	1966	1967	1966	1967
(a) Canada	68,577	65,189	103,527	88,894
(b) Quebec	41,761	40,618	16,572	12,053
(c) Ontario	22,206	20,066	15,455	12,954

MILK PRODUCTION

Question No. 592—**Mr. Clermont:**

What was, for the years 1966 and 1967, the average production in (a) Canada (b) Quebec (c) Ontario, of the producers of the following products (i) raw milk (ii) industrial milk (iii) cream?

Hon. H. A. Olson (Minister of Agriculture): The average marketings by industrial milk and cream shippers listed with the Canadian Dairy Commission are as follows, in terms of pounds of milk testing 3.5 per cent butterfat. The data requested for raw milk shippers is not available from federal records.

	Industrial milk		Cream	
	1966	1967	1966	1967
(a) Canada	97,000	107,000	31,000	30,700
(b) Quebec	83,000	93,500	39,200	39,400
(c) Ontario	127,500	139,000	44,400	45,000

FEDERAL MILK SUBSIDIES

Question No. 593—**Mr. Clermont:**

1. During the fiscal years 1965-66, 1966-67 and 1967-68, how many producers of industrial milk

and cream received subsidies from the federal government in (a) Canada (b) Quebec, and (c) the County of Papineau in Quebec?

2. What was the total amount of subsidies paid during each of the fiscal years mentioned in part 1 in (a) Canada (b) Quebec, and (c) the County of Papineau in Quebec?

Hon. H. A. Olson (Minister of Agriculture): 1. Number of producers of manufacturing milk and cream receiving direct subsidy payments from the federal government—

	1965-66	1966-67	1967-68
Canada	140,630	165,061	143,766
Quebec	49,607	53,342	48,015

2. Direct producer subsidies received by manufacturing milk and cream shippers—

	1965-66	1966-67	1967-68
Canada	$19,210,000	$70,350,000	$93,100,000
Quebec	7,546,000	31,560,000	41,200,000

Information respecting the number of producers receiving subsidy and the amount of subsidy paid is not available by county.

JUDICIAL FUNCTIONS OF FEDERAL BODIES

Question No. 604—**Mr. Fortin:**

1. What federal bodies exercise judicial functions?

2. Has the government considered, is it considering or will it consider the possibility of having a uniform procedure for such bodies and, if so, will any report on this matter be laid before the House?

3. Does the government intend to reform the federal judicial system?

[*Translation*]

Hon. John N. Turner (Minister of Justice): 1. Without attempting to be exhaustive or controversial, the ordinary courts such as the Exchequer Court of Canada, the Supreme Court of Canada and the Territorial Courts exercise judicial functions. In addition, other bodies such as the Tax Appeal Board, the Tariff Board and the Immigration Appeal Board also exercise judicial functions, if by that term it is meant that the bodies are empowered by law to determine legal rights and obligations in accordance with predetermined principles of law.

2. A uniform procedure code for judicial bodies has received and will receive further consideration but there is no present intention to lay any report on such a matter before the House of Commons.

3. Reforms in the federal judicial system are in contemplation.

[Mr. Clermont.]

[*English*]

HERCULES AIRCRAFT

Question No. 614—**Mr. Brewin:**

1. What are the landing capabilities of the Hercules Aircraft (a) according to the Department of National Defence, and (b) according to the manufacturer, Lockheed Aircraft Limited?

2. Is the Hercules a forward support plane, and as such is it basically designed to land on (a) bare ground (b) raw dirt, or (c) sand?

3. How much clear space does it require to land?

4. What training do the Canadian Armed Services personnel have in regard to landing Hercules on (a) prepared airstrips (b) unprepared terrain such as an unobstructed field (c) highways, asphalt, gravel base (d) snow covered area?

5. (a) Specifically, what training had the pilots and crews of the Hercules recently made available for the flying of supplies into Nigeria and Biafra (b) have the pilots and crews of the Hercules been given concentrated training to meet the stated capability of the aircraft?

6. Has the use of the Hercules made available for the Nigerian and Biafran area been delayed by (a) difficulties in landing or lack of adequate airstrips or landing facilities (b) by lack of complete or adequate training in landing?

7. Have the operations of the Canadian Hercules or other aircraft in relation to the flight of supplies into Nigeria or Biafra been obstructed by failure to provide facilities for reconnaissance or otherwise and who has been responsible for such failures, if any?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): 1. (a) and (b) Many factors such as fuel load, number of passengers, freight, runway conditions, temperature, etc., enter into determining the landing capability of the Hercules aircraft. Operating instructions published by the U.S.A.F. and based upon manufacturers' data are used by the Canadian Forces.

2. (a), (b) and (c) Because of its flexibility the Hercules aircraft is used by the Canadian Forces both as a strategic transport and as a tactical support aircraft. It has the capability of landing on unprepared surfaces such as clay, sand or sod, providing the soil bearing strength is sufficient to support the aircraft.

3. The landing field length requirements vary with all-up weight of the aircraft, the surface temperature, the surface wind and the altitude of the airport. At a landing weight of 140,000 lbs, at sea level at standard day temperature of fifteen degrees centigrade zero wind zero gradient and dry surface, the normal landing distance over a 50 ft. obstacle is 4,200 feet.

4. (a), (b), (c) and (d) Hercules pilots in the Canadian Forces are thoroughly trained to fully exploit the landing capabilities of the aircraft on prepared, semi-prepared and snow

covered surfaces within the aircraft's design limitations. Asphalt highways which conform to the minimum length, width and weight bearing requirements can be equated to landing on prepared surfaces.

5. (a) and (b) The crews assigned to the task of flying Hercules aircraft had previously gained from several hundred to several thousand hours of experience on other types of flying duties before being selected for Hercules operations. These personnel were then given courses on the Hercules aircraft during which they received approximately 230 hours of experience on that type of aircraft. In addition, Hercules pilots are employed as co-pilots for a considerable period of time, thus gaining approximately a thousand hours of Hercules experience before being upgraded to an aircraft captain. These personnel have been employed on flying operations in all parts of the world. This employment includes participation in Arctic operations where only gravel airstrips are normally available and in Africa and Asia. The particular Hercules pilots dispatched to Biafra collectively have an average of approximately 8,000 hours of total flying experience. They are considered, therefore, to possess the maximum possible qualifications.

6. (a) Yes; (b) No.

7. Yes. The international committee of the Red Cross experienced difficulty in obtaining overflight clearances both for operations and airfield surveys.

MILITIA UNITS IN READY RESERVE

Question No. 622—**Mr. Robinson:**

1. (a) What militia units are components of the Ready Reserve (b) what are the tasks of the units in the Ready Reserve (c) how many officers and men are required by each unit to carry out the task allotted (d) how many units are presently capable of performing their allotted task (e) when are all militia of the Ready Reserve expected to be able to perform their allotted task?

2. What is the efficiency rating of all militia units in the Ready Reserve?

3. What was the efficiency rating of all units that attended summer camp in 1967 and 1968?

4. Would the Ready Reserve at the present time be professionally competent to back up the Regular Force?

5. Is it the intention to (a) train, and (b) equip, the Ready Reserve to regular force standards?

6. What is the overall state of the Ready Reserve?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): Attention is directed to Minutes of Proceedings and Evidence No. 3, dated March 12, 1968, of the standing committee on national defence, dealing with the reserve components of the Canadian Forces. Insofar as "ready reserve" is concerned, its purpose is to produce in an emergency, trained specialist individuals of all components for regular force establishments.

1. (a) The ready reserve is not composed of militia units, per se, but of individual officers and men; (b) Units are not tasked to the ready reserve; individuals are earmarked to fill various regular force establishment positions in an emergency; (c) See (a) above; (d) See (b) above; (e) No time limit can be specified; it varies with the individual positions to be filled.

2. Not applicable, see 1 (a).

3. The current allocation of tasks given to the militia has been in force for less than a year and as yet efficiency ratings have not been established.

4. No, further training is required.

5. (a) Yes; (b) not applicable.

6. The strength and composition of the ready reserve will vary from year to year according to the needs of the regular force. The long term aim is to provide individuals with a standard of training in a variety of trades so as to provide a viable back-up to the regular force. Under these circumstances it is not possible to accurately assess the over-all state of the ready reserve.

REPORT OF TASK FORCE ON LABOUR-MANAGEMENT RELATIONS

Question No. 626—**Mr. Robinson:**

When will the federal government's task force on labour management relations be making its report public?

Mr. J. E. Walker (Parliamentary Secretary to Prime Minister): The task force on labour relations has indicated its report will be presented to the government by the end of 1968. At that time, the government will consider tabling the report in the House of Commons and releasing its contents to the public.

TENDERS FOR POST OFFICE CONSTRUCTION, VILLE BELAIR, QUE.

Question No. 632—**Mr. Godin:**

Prior to the construction of the Post Office at Ville Belair, Quebec, how many tenders were received, what company was awarded the contract, and at what price?

[*Translation*]

Hon. Arthur Laing (Minister of Public Works): Seven tenders were received. A contract at $28,700 was awarded to Arthur Simoneau, Charny, second low bidder, when the lowest bidder withdrew.

[*English*]

CUSTOMS EXAMINATION, COLLECTION AND LIABILITY

Question No. 641—**Mr. Forrestall:**

1. Is the government giving any consideration to changing its approach to the growing problems of customs examination, collection and liability?

2. Is it giving any consideration to switching its primary approach from the merchandise itself to the importer, so as to permit a straight line transaction that will allow cargo to move from its point of origin to the premises of the importer?

Hon. Eric W. Kierans (Acting Minister of National Revenue): 1. Departmental officials continually assess changing trends in transportation and marketing practices to ensure that customs examination and release procedures are revised, consistent with the law, to facilitate expeditious delivery to the importer.

2. Recently established procedures include a pre-audit of entry documents by customs appraisers which, provided the officer is satisfied that adequate controls exist and that there is an accurate description of the shipment, permits delivery to be made without any undue delay. These procedures combined with a provision whereby the goods may be released under security posted by the importer or his agent allows for the delivery of imported goods prior to the payment of duty and tax. The present system is considered to approach, as nearly as possible under existing legislation, a straight line transaction.

QUESTIONS PASSED AS ORDERS FOR RETURNS

DEPUTY MINISTERIAL APPOINTMENTS

Question No. 44—**Mr. Lambert (Edmonton West):**

1. (a) In the Public Service of Canada, including Crown agencies and boards, how many persons occupy the rank of (i) deputy minister (ii) associate deputy minister (iii) assistant deputy minister or their respective equivalents or discharge the functions of such rank nomenclatures (b) what are the salary ranges for each group?

2. In the Public Service of Canada, including Crown agencies and boards, how many persons by individually named departments or agencies discharge the functions of executive assistants etc. (as in question of Mar. 5—1968)?

3. (a) Since July 1, 1967, to what departments, Crown agencies or boards have there been named persons to discharge the functions of assistant deputy minister or its equivalent (b) how many of such appointments are to positions created since July 1, 1967 (c) do any such appointments require approval by the Governor-in-Council?

Return tabled.

EXPENDITURES ON INDIAN RESERVE IMPROVEMENT

Question No. 150—**Mr. Dinsdale:**

1. How much was spent between April 1, 1967 and April 30, 1968 on the program to improve the physical conditions on Indian Reserves?

2. How much of this sum was spent on (a) houses (b) roads (c) electrification (d) water supply (e) sewage systems?

3. Where was each project in part 2 located and how much money was expended on each project?

Return tabled.

BOARDS OF DIRECTORS, CROWN CORPORATIONS

Question No. 157—**Mr. Fortin:**

1. For each of the years 1966 and 1967, what was the total number of meeting days of the Boards of Directors of Proprietary Crown Corporations?

2. With regard to the Board of Directors of each of the Proprietary Crown Corporations (a) how many members are there (b) how many are full-time members (c) how many are part-time members (d) in each case, how much are they paid?

Return tabled.

DESTINATIONS OF IMMIGRANTS

Question No. 484—**Mr. Macquarrie:**

1. For each of the years 1957-68, what was the total number of immigrants who settled in Prince Edward Island and from what countries did such immigrants come?

2. Since 1966, has the Government of Prince Edward Island made any representations to the Canadian Department of Immigration with a view to assisting the arrival of farm immigrants and, if so, what was the date of such representation?

3. In the same ten year period as in Part 1, what was the total number of farm immigrants landed in (a) the Maritime Provinces (b) Ontario (c) the three Prairie Provinces?

Return tabled.

LANGUAGE QUALIFICATIONS, BUREAU OF STATISTICS EMPLOYEES

Question No. 617—**Mr. Latulippe:**

1. How many employees are there in each category and grade, in the Bureau of Statistics?

2. Of this number, how many are French-speaking?

3. How many employees are there earning $12,000 or more and, of this number, how many in each category or class are French-speaking?

4. During 1967, how many appointments, reclassifications and promotions were made and, of these, how many involved French-speaking employees?

5. How many employees are there at the head of section level or above and, of these, how many are French-speaking?

6. How much was spent in the provision of courses in English and French for these employees and, how many employees took courses in (a) French in 1967 (b) English in 1967?

Return tabled.

[*Translation*]

MOTION FOR PAPERS

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be kind enough to call notice of motion No. 19?

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

[*English*]

SIGHTING OF UNIDENTIFIED OBJECT IN 1967

Motion No. 19—**Mr. Mather:**

That an Order of the House do issue for a copy of all letters, reports, studies or other data in respect to an exchange by the Royal Canadian Mounted Police, the Royal Canadian Air Force, the Department of National Health and Welfare, the Geological Survey of Canada and the National Research Council of Canada regarding the sighting in 1967 by Mr. Steve Michalak of an unidentified flying object.

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I am informed by the National Research Council that on an informal basis they have been soliciting correspondence from individuals throughout Canada on these particular sightings. They have asked that this kind of correspondence not be made the subject of a return in this house. I wonder whether in the circumstances the hon. member would be agreeable to withdrawing his notice of motion.

Mr. Barry Mather (Surrey): Mr. Speaker, I would like the motion transferred for debate.

Mr. Speaker: Transferred for debate, pursuant to standing order 47.

Inquiries of the Ministry

TRADE

WHEAT—INQUIRY AS TO WORLD SALES PROSPECTS

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I had a question for the Minister of Consumer and Corporate Affairs, but perhaps he will be here later in the afternoon. I would therefore ask the minister of trade and commerce, upon his return to the house, whether he has any good news for the country with regard to the sale of wheat.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): In Latin America, or elsewhere in the world?

An hon. Member: Anywhere.

Mr. Pepin: Mr. Speaker, the only thing I can say now is that the government is doing its utmost to put the Canadian Wheat Board in the best possible position to compete in the world.

UNEMPLOYMENT INSURANCE

PROTECTION OF RIGHTS OF QUALIFIED APPLICANTS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in the absence of the Minister of Labour, the acting minister of labour and the second acting minister of labour—

Some hon. Members: Oh, oh.

Mr. Knowles (Winnipeg North Centre): — may I direct this question to the Prime Minister. In view of the announcement that has been made of increased efforts to check abuses with respect to the unemployment insurance fund, will similar efforts be made to protect the rights of those who qualify for unemployment insurance to have their benefits continue without overzealous officials applying the availability clause too severely?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, the Minister of Labour is now attending I.L.O. meetings in Geneva. I am happy to give to this house the assurance that is demanded by the hon. member.

[*Translation*]

[*Later:*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I would like to ask the Prime Minister a

question which is related to another one put to him a few minutes ago by the hon. member for Winnipeg North Centre.

Since many unemployment insurance claimants make false statements due to the fact they are not familiar enough with the provisions of the Unemployment Insurance Act, would the Prime Minister also ask the Minister of Labour if he intends to invite the Unemployment Insurance Commission to organize an education campaign throughout Canada so that the population will be informed about the Unemployment Insurance Act?

Mr. Speaker: The hon. member has made his representations and I take it for granted that they have been noted.

[*English*]

PRIVILEGES AND ELECTIONS

REPORT OF COMMITTEE ON ELECTION EXPENSES

On the orders of the day:

Mr. Barry Mather (Surrey): Mr. Speaker, I have a question for the President of the Privy Council. Having in mind the reported remarks of the Prime Minister the other day in Montreal to the effect that he hopes for a fairer basis for political campaign funds, my question is, can we hope for action at this session of parliament on the report of the committee on election expenses, appointed by the Prime Minister's predecessor in the last parliament?

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, as I indicated earlier in the session, it is the government's hope to be able to deal with all aspects of electoral reform by a reference of the various matters to the standing committee on privileges and elections. The timetable of the committee is such that we hope this matter can perhaps be dealt with early in the new year.

THE CANADIAN ECONOMY

INQUIRY AS TO STEPS TO REDUCE POVERTY

On the orders of the day:

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I should like to address a question to the Prime Minister. On September 13, exactly two months ago, I asked the Prime Minister what the government intended to do in regard to adopting measures to reduce poverty in this country. On that day he answered me in these terms, that he felt the government's best procedure would be to adopt measures to ensure that inflation is curtailed. My question is as follows. In view of the fact that in each of the two months that have elapsed since that time inflation has increased materially—

Mr. Speaker: Order, please. The hon. member should ask the question.

Mr. Hees: Yes, Mr. Speaker. In view of that fact, does the government intend to introduce some new measures in the near future to correct the problem of poverty in this country?

Right Hon. P.-E. Trudeau (Prime Minister): Well, Mr. Speaker, the measures in the budget are of course directed at curtailing inflation, and they have been debated at some length in the past few days. I am sorry we did not have the whole hearted agreement of the members of the opposition on this, but I am sure they will do their best in other ways to help us fight inflation.

Mr. Hees: I have a supplementary question, Mr. Speaker. In view of the fact that higher taxes greatly increase the cost of living it is obvious, is it not, that the government intends to do absolutely nothing to curtail something which the Prime Minister has agreed is a national disgrace.

Mr. Speaker: Order, please.

NATIONAL SECURITY

REPORTED REVOLUTIONARY STATEMENTS BY U.S. NATIONALS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I do not know whether to direct the question to the Prime Minister or to the Solicitor General, but on October 28 I asked for information regarding Jerry Rubin's entry into Canada. The Solicitor General replied he would look into it. I would ask him in giving a report thereon whether he would say, in view of the Prime Minister's definition and delineation the other evening of the serious menace facing Canada in the prospect of civil anarchy and revolution in the United States, what steps are being taken by the government to prevent such people as Rubin and Stokely Carmichael and other revolutionary riffraff of that kind from coming into Canada and, having done so, thereafter ridiculing the Canadian government for its failure to keep them out.

Mr. Speaker: Order, please.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, of course our immigration laws are aimed at preventing the entry into Canada of those who would come here with criminal intent, but it is not our view there can be any danger of uprising or strife as a consequence of a free discussion of ideas. It is the cause of unrest which we try to correct.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Then I would ask the Prime Minister, in view of the fact that both Rubin and Carmichael said there should be bloodshed in Canada to change the government, whether in his view that is not against the law when it is uttered by those coming into this country?

Mr. W. B. Nesbitt (Oxford): I have a supplementary question. In view of the Prime Minister's reply to the right hon. member for Prince Albert, can the Prime Minister tell us if steps were not taken to keep out a minister of the Rhodesian government when he came here to make a speech a short while ago?

Mr. Speaker: Order, please. The question is argumentative.

Hon. Marcel Lambert (Edmonton West): A supplementary question. Would the same principle be applied to a representative of the Rhodesian government who wished to come to Canada?

Mr. Speaker: Order. This question is hypothetical.

Mr. Diefenbaker: May I ask a supplementary question of the Prime Minister. He has referred in glowing terms to freedom of speech, and I should like to ask him whether he regards the statement made by Stokely Carmichael, "Get out your guns, get all you can and use them", as free speech in Canada of the type we ought to encourage?

Mr. Trudeau: Mr. Speaker, I do not believe the right hon. gentleman, who has a distinguished record as a lawyer, would ask me to interpret the laws of seditious libel. In my opinion this has not been the case, and I know of no charge of seditious libel having been brought against Mr. Carmichael.

Hon. George Hees (Prince Edward-Hastings): I have a supplementary question which I can ask in plain English. Does the Prime Minister feel that those who would overthrow the government of Canada by force should be welcomed in Canada and allowed to speak here? Can he answer that in straightforward language?

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

Mr. Hees: I rise on a question of privilege.

Some hon. Members: Oh, oh.

Mr. Speaker: The hon. member is rising on a question of privilege.

Mr. Hees: Mr. Speaker, the Prime Minister refused to answer the right hon. member for Prince Albert because he was being asked to interpret the law. I am not asking him to interpret a certain aspect of the law, I am asking him in plain, straightforward, ordinary English whether people who would overthrow this government by force are welcomed here. Would he answer that question?

Mr. Trudeau: Now that the question has been asked in plain, ordinary English, I will ask the Acting Minister of Manpower and Immigration to answer it in plain, ordinary French.

[*Translation*]

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, I believe the policy of the Department of Immigration in this regard is known. I myself explained it in this house and I believe it had also been applied previously. When someone comes here, especially when he is sponsored by a well known organization in Canada, if he only comes to start a public debate and exchange ideas, without any pronounced intention of organizing a revolution or stirring up trouble, then, in the name of the freedom of speech, we allow him across our border.

Hon. Théogène Ricard (Saint-Hyacinthe): Mr. Speaker, I should like to put a supplementary question.

Would the minister explain how the intentions of the one who goes to the department should be interpreted? Who makes the decisions in this regard?

Mr. Marchand (Langelier): Mr. Speaker, we do not know the intentions of those who come to Canada.

AIR CANADA

WINNIPEG—REQUEST FOR STATEMENT RESPECTING OVERHAUL BASE

On the orders of the day:

Mr. Bernard Dumont (Frontenac): Mr. Speaker, I had a question for the Minister of

Transport but, in his absence, I shall direct it to the Prime Minister.

Could he tell us how far negotiations have progressed as to the transfer of the Winnipeg maintenance base for jet aircraft?

Right Hon. P.-E. Trudeau (Prime Minister): I understand that this concerns the Department of Transport, Mr. Speaker.

Mr. Dumont: In the absence of the Minister of Transport, I direct my question to the Prime Minister, Mr. Speaker.

Mr. Trudeau: Mr. Speaker, the acting minister is here.

[*English*]

Hon. James Richardson (Minister without Portfolio): Mr. Speaker, actually there is nothing that can be added to the statement made by the Minister of Transport in the house recently.

[*Translation*]

Mr. Dumont: May I ask a supplementary question, Mr. Speaker?

Could the $10 million annual deficit for the maintenance of the Winnipeg base be used instead for the Lauzon workers?

[*English*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have a supplementary question for the Minister without Portfolio. Will he accept a word of approval rather than criticism, such as he gets from his side of the house, for his efforts to persuade the government to keep its promise to Winnipeg, and will he continue his efforts?

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

Mr. Knowles (Winnipeg North Centre): The minister was half way up and I believe the minister would like to reply, and I would like an answer.

HEALTH AND WELFARE

INQUIRY AS TO STUDY INTO EFFECTIVENESS OF DRUGS

On the orders of the day:

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. In view of the alarming statement made a few days ago by the United States National Academy of Sciences to the effect that 6 per cent of the drugs now being sold are clinically ineffective and will likely have to be withdrawn from the market, can the minister advise the house whether similar studies have been or are being done in Canada?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, as the hon. member knows there are studies of this kind going on in Canada, and the food and drug directorate is aware of them. I will advise the hon. member later on this week in the house, as to the further particulars of these studies.

Mr. J. M. Forrestall (Dartmouth-Halifax East): A supplementary question, Mr. Speaker. When the minister is checking with the food and drug directorate I wonder if he would determine whether in these studies—because there is a difference here—a close look has been taken at those drugs which are completely ineffective as opposed to the percentage of drugs that are just not up to acceptable clinical levels.

Mr. Munro: Yes, Mr. Speaker.

FINANCE

CONSULTATIONS RESPECTING PROPOSED SECURITIES COMMISSION

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Consumer and Corporate Affairs whether, following his discussions with the provinces, he feels he is any nearer the realization of the proposed national securities commission and any legislation to bring such a commission forward?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, at the meeting which was held almost two weeks ago I think there was a very co-operative and friendly atmosphere among the federal and provincial officials. I believe considerable progress was made by both levels of government in understanding the problems of each other and the need for action at the national level.

Mr. Stanfield: A supplementary question, Mr. Speaker. Could the minister tell the house whether his officials are following the apparent speculation in so-called junior securities, and whether this is causing him concern in relation to his conception of a national securities commission?

Mr. Basford: Mr. Speaker, my officials are aware of the situation and of all developments in the market. All these considerations are taken into account in our belief that there should be some form of national administration.

GRAIN

PROVISION OF BOX CARS TO INCREASE DELIVERIES

On the orders of the day:

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce who answers for the wheat board. I wonder whether the minister or anyone on his behalf has taken up the problem of spotting box cars at country elevators so the farmers can deliver more than just their initial quotas?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): No, Mr. Speaker. The report I had this morning from the wheat board was that the railways are co-operating fully with the Canadian Wheat Board in respect of box cars that are required to move grain from country stations to terminal positions. This matter is the subject of daily discussions between the board and the railways throughout the crop year. Therefore, Mr. Speaker, I have no reason to believe that the situation as it is now is abnormal, and as I say I checked with the wheat board this morning.

Mr. Korchinski: Mr. Speaker, may I direct a supplementary question to the Minister of Agriculture. In view of the fact that on Thursday last he indicated to the house that the terminals are drying grain on a five-day basis only because of shortage of grain at the terminals, would he take up this question with the railways?

Mr. Pepin: Mr. Speaker, I might add to my answer that a few weeks ago there was some slack in the use of drying facilities, because owing to weather conditions shipments were not being made. However, this situation has been improving since then and my answer applied to the situation of today, not of two or three weeks ago.

Mr. Korchinski: Then may I ask the Minister of Agriculture whether he will take up this problem. Are the terminals drying on a seven day basis?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I am advised that the inland terminals will be drying on a seven day basis, 24 hours a day, as soon as sufficient quantities of grain in those terminals warrant that kind of operation.

FISHERIES

LOBSTER FISHING REGULATIONS IN BAY OF FUNDY

On the orders of the day:

Hon. Hugh John Flemming (Carleton-Charlotte): Mr. Speaker, I have a question for the Minister of Fisheries. Is the minister able to advise the house of any change in the regulations concerning lobster fishing in the bay of Fundy, since the season commences in a day or two?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, the regulations have been amended and the fishermen will be able to leave shore tomorrow morning at 8 a.m. instead of 10 a.m., as previously announced.

REQUEST FOR STATEMENT ON MARKETING POLICY

On the orders of the day:

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, may I direct a question to the Minister of Industry, Trade and Commerce and at the same time welcome him back from his holiday down south. I wonder when the minister will be prepared to make the statement he promised about three weeks ago, on the marketing of another staple product of the Canadian economy, Atlantic fish. As I said, three weeks ago the minister indicated he was prepared to make a statement, not on the selling of the fish but on the selling of it for a just price.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, before I left I had a conversation with the Minister of Fisheries (Mr. Davis). He has now advised me that the house committee on fisheries and forestry is meeting and has had pretty exhaustive discussions on this subject. The committee hearings are going on right now. The hon. member's questions would be raised there.

Mr. Lundrigan: Mr. Speaker, I am not going to differ with the minister's statement. I should still welcome a comment on what is being done by the department, since I am not at all satisfied with the present situation.

Mr. Speaker: Order, please.

[*Later:*]

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is similar to the one asked some time ago by the hon. member for Gander-Twillingate (Mr. Lundrigan). What initiatives is the government taking to offset the serious decline in Canadian frozen fish sales on the United States market? That decline is having a disastrous effect on the economy of the Atlantic provinces.

Mr. Speaker: Order. I wonder whether the hon. member agrees that since his question is of rather wide scope it ought to be answered by way of a statement on motions.

Mr. Lundrigan: A supplementary question, Mr. Speaker—

Mr. Speaker: Order, please. The hon. member would have to ask a different question, because I have suggested that the answer to the previous question might be given by way of a statement on motions.

Mr. McGrath: On a point of order, Mr. Speaker, I directed a similar question to the minister three weeks ago. At that time the minister undertook to make a statement to the house the next day regarding the serious decline in the sale of frozen fish on the United States market. As I say, the statement was to be made the next day. That was over three weeks ago. This situation has become so serious and so urgent that I submit we are entitled to demand some sort of statement of policy from the government to ascertain what the government is doing about this.

Mr. Speaker: Order, please. The hon. member is making a representation in favour of the minister making a statement on motions. That is precisely what I was suggesting. If the information is to be given it ought to be given on motions and not during the question period.

[*Translation*]

NATIONAL REVENUE

QUEBEC—EXCISE TAX ON SEIZED LIQUOR

On the orders of the day:

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I wanted to direct a question to the hon. Minister of National Revenue—who has an excellent reason for not being in the house this afternoon, since he has to undergo a very serious surgical operation, and I take this opportunity to wish him a prompt recovery—however, in his absence, I shall put it to his parliamentary secretary.

In view of the substantial quantity of spirits seized during the week-end at Ville Vanier, a suburb of Quebec City, can the Parliamentary Secretary to the hon. Minister of National Revenue tell us whether the officials of the department have made an investigation in order to establish whether the production of alcoholic beverages or spirits of the Melchers distillery is in all respects consistent with the excise duties of the department? Is an investigation being carried out and have the duties been paid?

Mr. Speaker: I have the impression that the question, as asked, is rather general in character and I suggest to the hon. member that this question should be placed on the order paper.

Mr. Rondeau: At ten o'clock, Mr. Speaker.

[*English*]

AGRICULTURE

INQUIRY AS TO PROCLAMATION OF RECENT LEGISLATION

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, may I direct a question to the Minister of Agriculture. Will he tell the house how soon the various items of agricultural legislation passed by this house some time ago, the benefits of which are desperately needed by the farmers, will become law?

Hon. H. A. Olson (Minister of Agriculture): Well, Mr. Speaker, I am advised that the legislation dealing with cash advances has been passed in the other place. I am advised further that Bill C-110 passed through the committee of the Senate yesterday. I am further advised that we can expect royal assent tomorrow to some if not all of these bills.

Mr. Nesbitt: A supplementary question, Mr. Speaker. Since some of this legislation has to do with interest rates, may we know when the interest rate is to be determined with the banks with respect to the farm improvement loans legislation?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, we are presently discussing this matter with the banks, and I hope to announce an interest rate with respect to farm improvement loans very soon after royal assent.

VETERANS AFFAIRS

HALIFAX—REPORTED REDUCTION IN HOSPITAL SERVICES

On the orders of the day:

Mr. Robert C. Coates (Cumberland): Mr. Speaker, may I direct a question to the Minister of Veterans Affairs. Has the minister received representations from the president of the Royal Canadian Legion for Nova Scotia regarding cutbacks in services available to veterans at Camp Hill Hospital, Halifax. If so, what action is he taking on the basis of those representations?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): No, Mr. Speaker. I have not as yet, to my knowledge, received those representations.

HEALTH AND WELFARE

BRITISH COLUMBIA—PROVISION OF DRUGS FOR INDIGENT INDIANS

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, my question is for the Minister of National Health and Welfare. I understand he is planning a second trip to Manitoba, to look over Indian health services. Is the minister planning to visit the community townsite of Churchill on this visit?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I visited the hospital at Churchill and I hope to go there again on my return visit.

Mr. Simpson: A related question, Mr. Speaker. It has to do with Indian health services and is further to the question the minister took as notice last Wednesday. Will the minister tell the house if his department is circulating among drug stores in British Columbia lists of Indians receiving welfare and entitled, therefore, to free drugs?

Mr. Munro: Mr. Speaker, I am advised that the department makes provision for the issuance of drugs by licensed pharmacists to medically indigent Indians. The initiation of medicare introduced a new element to this plan, including the freedom of choice of pharmacists. Since drugs are not covered under the British Columbia scheme, and because of the mobility of large numbers of the Indian population in that province, it has become necessary to provide druggists with lists of people who are to be issued drugs free of charge, on the understanding that we will assume the costs of such drugs.

The lists used are based on the Indian affairs branch list of people who are indigent. The lists are supplemented by our medical personnel, who add people who may not be on the first list but who are nevertheless considered indigent for medical purposes. We are presently studying means, in my department, of substituting a card system for the present system.

Mr. Speaker: Order, please.

Mr. Simpson: A supplementary question, Mr. Speaker. Are recipients of the old age pension being included on lists that are circulated among drug stores?

Mr. Munro: Old age recipients may be included if they are considered indigent, Mr. Speaker.

Mr. S. J. Korchinski (Mackenzie): A supplementary question, Mr. Speaker. Can the minister say how often these lists are revised?

Mr. Speaker: Order, please. I wonder whether that supplementary question is in order.

BILINGUALISM AND BICULTURALISM

ALLEGED LEAKS RESPECTING REPORTS OF ROYAL COMMISSION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to direct a question to the Solicitor General. Some ten days ago a question arose with regard to the publication in *La Presse* of certain portions of the yet unreleased report of the royal commission on bilingualism and biculturalism. Mr. Jean-Louis Gagnon, co-chairman of the commission, said the excerpts were authentic. He, of course, had a former connection with *La Presse*. Since the Prime Minister suggested he was distressed, has there been an investigation? Has theft been ascertained? If not, has anything been done to ascertain how this information leaked out in such a complete and authentic manner?

Hon. G. J. McIlraith (Solicitor General): Mr. Speaker, as indicated when the question was asked earlier in the session, an investigation was started. I have no report on it as yet. When I have one I will be prepared to answer the question.

Mr. Diefenbaker: If the minister has no report he can easily get one by placing a telephone call. He could call Mr. Gagnon, who might be helpful in that connection.

Mr. Speaker: Order, please.

Inquiries of the Ministry

EXTERNAL AID

NIGERIA—REPORTED ABANDONMENT OF SUPPLIES TO MILITARY FORCES

On the orders of the day:

Mr. R. Gordon L. Fairweather (Fundy-Royal): Having regard to the government's insistence that the Red Cross is the most useful channel of humanitarian relief in Nigeria, would the Acting Secretary of State for External Affairs investigate charges that the Red Cross is abandoning food, medical supplies and vehicles to military fighting forces in the region?

Hon. C. M. Drury (President of the Treasury Board): I am not sure it would be appropriate for the Canadian government to investigate the Red Cross, but I will see whether inquiries can be made regarding this.

TRANSPORT

PROPOSED FERRY SERVICE, YARMOUTH-NEW ENGLAND

On the orders of the day:

Mr. Louis-Roland Comeau (South Western Nova): I have a question for the Minister of Transport; in his absence I will direct it to the Minister without Portfolio. Is the federal government engaged in any co-operative negotiations with the provincial government, Lion Ferry, or any United States interests with respect to establishing the proposed Yarmouth-New England ferry?

Hon. James Richardson (Minister without Portfolio): I will take that question as notice.

Mr. Comeau: As the new ship is reported to be a stern loader, will the federal government make the necessary facilities available at Yarmouth to accommodate it?

AGRICULTURE

PAYMENT OF CASH ADVANCE ON FARM STORED GRAIN

On the orders of the day:

Mr. Les Benjamin (Regina-Lake Centre): May I ask the Minister of Industry, Trade and Commerce whether he can advise the house when the Canadian Wheat Board will authorize country elevator agents to begin issuing the full $6,000 cash advance?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): As was intimated a few minutes ago by my colleague the Minister of Agriculture, the relevant bill should be given royal assent on Thursday. The regulations are ready, but they need to be approved by the cabinet or by a committee of the cabinet. I hope this can be done on Friday. I will do my best to see that it is done.

[Mr. Speaker.]

NATIONAL DEFENCE

INQUIRY AS TO RETROACTIVE PAY INCREASES

On the orders of the day:

Mr. J. M. Forrestall (Dartmouth-Halifax East): I should like to direct my question to the President of the Treasury Board. In light of his sympathetic reply yesterday when questioned about retroactive pay increases to national defence employees, may I ask whether the hon. gentleman has taken advantage of the opportunity to find some more appropriate answer to give these several thousand men as to whether they will get their pay before Christmas?

Hon. C. M. Drury (President of the Treasury Board): I think I gave an undertaking yesterday to see that the process of payment is advanced as rapidly as possible. As the hon. gentleman probably knows, these pay increases have been the subject of collective bargaining, and certain procedural steps have to be taken before the necessary calculations can be made. This work is being done as quickly as possible, and I am hopeful that these efforts will have a happy outcome.

CANADIAN BROADCASTING CORPORATION

MONTREAL—APPROVAL OF NEW HEADQUARTERS BUILDING

On the orders of the day:

Mr. J. P. Nowlan (Annapolis Valley): My question is directed to the President of the Treasury Board; it follows one I asked him a week ago. I should like to know whether he has been able to find out if the order in council approving an expenditure of more than $66 million for the C.B.C. building in Montreal has been approved by Treasury Board.

Hon. C. M. Drury (President of the Treasury Board): The answer is that Treasury Board has approved the construction of a new headquarters for the C.B.C in Montreal. In connection with the execution of this work, the department concerned forwards submissions from time to time covering the detailed aspects. There is no blanket approval given for total expenditure; it is done in detail.

Mr. Nowlan: Are we to understand from the minister's answer that this project has escaped the heavy knife wielded by the Minister of Finance when assessing the priorities to be given all projects of this type in Canada?

PUBLIC BUILDINGS

OTTAWA—FUTURE USE OF TRADE AND COMMERCE BUILDING

On the orders of the day:

Mr. A. D. Hales (Wellington): I should like to direct my question to the Minister of Public Works, who seems to be somewhat neglected in his new portfolio. Can the minister advise the house whether the Department of Trade and Commerce has moved, or is in the process of moving, from the trade and commerce building on Wellington Street? If so, to what building are they moving, and who will be occupying the old one?

Mr. Speaker: I think this question should be placed on the order paper.

CANADIAN NATIONAL RAILWAYS

PROVISION FOR CAPITAL EXPENDITURES, ISSUE OF SECURITIES, ETC.

Hon. G. J. McIlraith (for the Minister of Finance) moved the third reading of Bill No. C-124, 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, 1968, to the 30th day of June, 1969, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and by Air Canada.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, though I was absent from the house during debate on the second reading of this bill I followed with interest the representations made by some of my colleagues with regard to the discontinuance of rail passenger service in Newfoundland and I hope the sincerity and logic of their statements made some impression on the minister responsible.

It becomes increasingly obvious day by day that the people of Newfoundland were made the victims of a railroading—a con game between the provincial government of Newfoundland, which for the first time in its history has remained silent despite the pleas of the vast majority of the people, the municipalities, the labour organizations and other responsible bodies whose right to the normal standard of transportation services will be affected, and the then minister of transport, the transplanted Newfoundlander who was imported into the province for reasons of political expediency to represent one of the districts. This is the man described in Richard Gwyn's book as the minister who devised and piloted through the Commons the epochal National Transportation Act of 1967, creating a $40,000 pullman class job for himself in the process. He is also described by the same author as speaking before a Burns' night audience in Newfoundland with tears in his eyes, crying "You will never know how much I owe you." Brother, how hypocritical can you get? I will tell him what he owes Newfoundlanders, Mr. Speaker: he owes them his conscience.

The only reason the transport commission gave for discontinuing passenger service was the fact that the service was losing $918,000 a year. I say that if the service is losing money it is because of the inefficiency of the management; it is not the fault of the passengers. Whom do you blame in any business, Mr. Speaker, for neglect and lack of efficiency? You blame the boss. And where is he now? The former president of the C.N.R. has a new job as chairman of BRINCO. BRINCO is the only hope Newfoundland has of ever becoming solvent. Yet they put a man in as head of this organization who failed even to operate the railway in Newfoundland at a break-even point, let alone make a profit.

If the Canadian National Railways could not operate the rail passenger service efficiently, how can anyone with any sense of business logic say that the same company can efficiently operate a bus service? Nobody in Newfoundland objects to the introduction of the bus service. Every province has the two services. But when the C.N.R. has demonstrated its lack of efficiency as the operator of a rail passenger service, why take the gamble of going into the bus business to the tune of $950,000 for a start?

Are there not enough bus companies of proven efficiency, already operating at a profit, which are able to take on the franchise for Newfoundland? Are they not the logical ones to take the risk, when it is so obvious that the C.N.R. will most likely operate this venture too at a loss? Why should the people of Canada be taxed still further in this connection? Mr. Speaker, I should like to ask every member sitting in this House of Commons, representatives of the ten provinces of

Canada, regardless of political affiliation, whether they would stand for such blatant disregard of their constituents.

Perhaps I should tell them that a Canadian National Official in Moncton, headquarters of the company's Atlantic region, had this to say as reported in the *Financial Post* of June 22:

> Train travel is well established here . . . passenger revenues increased 63 per cent between 1962 and 1967, even though the red, white and blue plan reduced over-all fare levels. The number of train passengers has increased steadily.

If I were to tell hon. members that there is one town in my constitutency, the town of Howley, which does not even have a connecting road to the highway—the inhabitants would have to swim a mile if they ever wanted to get out in case of need—would they stand for these conditions? Is this justice, Mr. Speaker.

• (3:20 p.m.)

Would the Minister of Finance (Mr. Benson), the Minister of Transport (Mr. Hellyer), the Chairman of the Canadian Transport Commission, the premier of Newfoundland and the hon. member for Burin-Burgeo (Mr. Jamieson) take another trip from Port aux Basques to St. John's, as we six Newfoundland members did and which they refused to do, and talk to the employees of the Newfoundland railway, listen to the statements they make about the deterioration in the maintenance of the passenger service and listen to them tell of the deterioration in the condition of the trains that has been allowed to happen in order to uphold the camouflaged reasons the commission gives for discontinuance of the service? Why is the hon. member for Burin-Burgeo so silent? When his own constituents came out to greet the six federal members from Newfoundland on our arrival at Port aux Basques he was not there. Why did the largest demonstration take place in his constituency to support our cause in protesting the discontinuance of the rail passenger service while we were on our trip across Newfoundland on the Newfoundland Bullet?

Since royal commissions and task forces are the vogue now, why not create a task force to investigate the relevance of our arguments and assess the advisability of this action? Let them look at the terms of confederation and decide whether this action by two or three individuals is justified. Let them decide with a sense of humanity and justice whether this discriminatory act can better serve the people of Newfoundland. But, Mr. Speaker, let this utter disregard for human beings rest on the conscience of those responsible in the years to come.

[Mr. Marshall.]

Mr. Frank Moores (Bonavista-Trinity-Conception): Mr. Speaker, today I wish to speak about the operation of the Canadian National Railways, particularly as it has affected the province of Newfoundland. During the year 1966, as has been said in this house before, the national railways even with padded accounts lost some $918,000 in Newfoundland and at the same time lost some $35,900,000 in their total operation in Canada. It seems strange to me that at that time the rail passenger service in Newfoundland was abolished without any consideration given to abolishment of the same rail passenger service in the rest of Canada. The reason given in the case of Newfoundland was that the rail passenger service was losing money. Well, the fact is that rail passenger service loses money in every province in Canada. If a principle is to be applied, it should be applied in the total Canadian context. One could imagine what would happen if the rail passenger service were abolished in the province of Quebec or in the province of Ontario. I do not think the federal government would be allowed to get away with that.

The C.N.R. should change its name to the C.M.R. It is no longer a national service; it is the Canadian mainland railway. Newfoundland has been placed on the system's expendable list. Newfoundland passengers have been downgraded below livestock, the service has been reduced and the public is expected to conform to the utility rather than the utility trying to meet the needs of the public. With the C.N.R.'s attitude in Newfoundland, as the hon. member for Grand Falls-White Bay-Labrador (Mr. Peddle) mentioned, we have 39-seat buses plus one lavatory. Knowing the C.N.R.'s philosophy as it applies to Newfoundland I expect they will probably be billed as 40-passenger buses.

First of all, it is not a matter which involves only the people who travel from St. John's to Port aux Basques. People now using the rail passenger service come from the more isolated areas not near the trans-Canada highway. They come from places such as Bonavista and must travel some 75 to 80 miles in order to get to the trans-Canada highway. How are these people to be serviced in the winter? The roads are nearly impassable in the summer and certainly will be closed for most of the winter season. Must these people suffer and be unable to travel because of the decision of one man in the

transport commission? This man, Mr. Pickersgill, was very friendly to Newfoundland over the years. He and the premier of Newfoundland were known as the original wheeler-dealers for Newfoundland. While the premier of Newfoundland was popularly considered the wheel when spending money in Newfoundland, Mr. Pickersgill was an intricate part of the wheel, in fact the hub, and a self-greasing hub at that.

This man, Mr. Pickersgill, who owes Newfoundland so much is the same man who through his political acumen created in his own fashion a job at $40,000 a year. One could also say, regarding Mr. Pickersgill's attitude, that not only was he self-appointed to that job but that his attitude toward Newfoundland has been that of someone who has been self-anointed. In the years when Mr. Pickersgill and Mr. Smallwood were in their heyday we must realize just how the operation worked. We had the king of the pork barrel in Ottawa, the man who made the pork barrel work, dipping in and taking out the big slices of pork and slinging them down a very carnivorous gullet, Mr. Smallwood at the other end, who devoured it at the expense of the Newfoundland people. One could say that certain Newfoundlanders go fat from overeating. The great majority are now at the point of starvation because of the attitude of a few.

We have been renowned in Newfoundland during the past years for all kinds of deals. We have had tax deals, promotional deals and cost plus deals. This is the type of government we have had at the expense of the people of Newfoundland. We have poverty in Newfoundland that people in this house would find it difficult to conceive and now, to top it all off, we have the railway deal. If all the roads to the stations other than those on the trans-Canada highway were brought up to standard and paved, then possibly we would be getting something in return for the abandonment of the rail passenger service. But are we to have something taken away and replaced by something better? No. We are to have just another example of the federal government taking something away from the have-not provinces with no respect or consideration for regional disparity and no respect for human decency.

It is high time this government abandoned its bits and pieces approach to the affairs of Newfoundland and adopted a comprehensive, long range program aimed at bringing the tenth province fully into confederation. Basic to any such co-ordinated plan is transportation. A modern and widespread transportation network is essential in creating and maintaining the diversified industry necessary for the economic rehabilitation of Newfoundland. An efficient and effective transportation system is essential to the development and expansion of Newfoundland's great basic industries of fishing and forestry. In the circumstances that exist, only the C.N.R. is available for the creation of such a transportation system. It is one of the many minor tragedies of modern Newfoundland that this national, publicly owned system is being forced to operate within the narrow confines of private business and thus being compelled inevitably to give profit priority over people.

Perhaps the greatest tragedy is the poverty of spirit and absence of imagination on the part of this government that permits a great instrument for national development to atrophy while Newfoundland's real need goes unnoticed.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, this bill, C-124, includes among other things provision for loans and other arrangements to assist Air Canada in meeting its obligations. This is the third reading stage of the bill. It is not automatic that we debate all third readings but because of a development of the last day or two I feel I should take a few minutes of the time of the house to say something with regard to the obligations of Air Canada. What I have in mind was previewed in the question that I put to the Minister without Portfolio (Mr. Richardson) on orders of the day this afternoon, namely, the promise of the Liberal government, when Mr. Pearson was prime minister, to the people of Winnipeg that the maintenance and overhaul base would stay there at least until 1973.

As some hon. members are aware—certainly the people of Winnipeg are very much aware of it today—one of the members on the other side, the hon. member for Lachine (Mr. Rock), has been quoted as criticizing, in fact condemning, the Minister without Portfolio for his efforts to persuade the government of which he is a member to keep the base at Winnipeg. As I said, using a question as a means of saying it, I think the Minister without Portfolio should be commended rather than criticized for trying to persuade the government to keep its promise in this respect.

Canadian National Railways

• (3:30 p.m.)

As a matter of fact, I want to say categorically that I believe the first thing which should be respected in this whole dispute or problem is the pledged word of the then prime minister of Canada. May I make it clear that the fact we have a different government and a different Prime Minister does not alter the situation. I point out that this is not just an assertion of mine. Indeed, when this matter was the subject of questioning on the floor of the house on Friday, November 1, the present Minister of Transport (Mr. Hellyer) referred to the commitment made by the previous prime minister to the people of Winnipeg and made it very clear that the commitment still stands.

Lest anyone thinks I am paraphrasing I should like to read a bit from page 2298 of *Hansard* for Friday, November 1. We were on the orders of the day and after three or four other questions had been asked, indeed seven or eight other questions, the right hon. member for Prince Albert (Mr. Diefenbaker) put this supplementary question:

> Would the minister give an assurance to the people of Winnipeg, as well as to the employees in question, that the pledge given by right hon. Lester Pearson, then Prime Minister of Canada, is going to be carried out?

The response to that question by the Minister of Transport reads as follows:

> Yes, Mr. Speaker. That commitment which was given by the former prime minister, and which was subsequently reiterated by me in Winnipeg, still stands.

It could not be stated any more clearly than that. I suggest that all of the arguments about the surveys and the reports of the experts have to take second place to the pledged word or there is just no way in which we can carry on. I might add to this that I find it pretty hard to take for the hon. member for Lachine and others to act as though Winnipeg is trying to take something away from Montreal, something that somehow or other belongs to Montreal. No one who looks at this objectively could swallow that line. This is a base that belongs to Winnipeg. Winnipeg is where Air Canada started in the old T.C.A. days. It is the retention of something that belongs to the people of Winnipeg which we feel we are seeking when we ask the government to see to it that the base stays there.

I recognize the right and responsibility of the management of Air Canada to look at these things in economic terms and decide what is best in the pure economic sense, but when it comes to national policy such as placing industry round the country and coping with employment and unemployment in different areas, I submit that the government has a particular responsibility. If that responsibility involves a subsidy, and I question this despite all the reports that some people have made to this effect, it is up to the government to give it.

As I say, I am not going to take the time to go into all of the arguments back and forth on this issue. I just want to say that when we who come from Winnipeg, and I believe I am speaking for all members from Winnipeg—even if I am speaking for them I hope some of the others will get up and say it too—say we cannot accept the idea that we are trying to take something away from somebody else we do so because we are trying to do no such thing. We want something which we believe is ours and which the then prime minister of Canada said would stay at Winnipeg and would not be taken away from us.

I suppose my question to the Minister without Portfolio on orders of the day was a bit rhetorical. Perhaps it implied its own answer. I would be grateful if he would take the opportunity in this debate on third reading, as I would be grateful if other members from Winnipeg would say a few words, of rising and saying that he agrees with me. I should be grateful if the hon. member for Winnipeg South, who happens to be that Minister without Portfolio, would take this opportunity. He deserves to be commended rather than criticized by a fellow Liberal member for taking the stand he has taken, namely, that the pledge or promise of the government of Canada should be maintained. I hope that Liberal members and other members of the house might take the same position.

I know we have had this issue before us in the house on occasions without number over the past several years. It goes back over the régimes of two or three governments. Normally, as I say, one would not raise this on the third reading of this kind of a bill, but it is of tremendous concern to the employees of Air Canada in my city and to all the people of Winnipeg that certain things are now being said, and I felt that the situation should be outlined in this more correct light.

I again offer my commendation to the hon. member for Winnipeg South for trying to persuade the government to maintain its pledge. Again I repeat that the first consideration which should be respected in this whole

matter is the pledged word of the government which are those words of the present Minister of Transport, spoken by the former prime minister and subsequently reiterated by him in Winnipeg. He said on Friday, November 1, that the commitment still stands. We insist that it be kept.

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I should like to take the other side of the C.N.-A.C. credit card. Last week I asked the Minister without Portfolio (Mr. Richardson) as the acting minister of transport whether the government has any intention of allowing carriers other than Air Canada to increase their service in and out of Edmonton to compensate for the loss in service resulting from Air Canada's winter schedule. The minister made it clear that these decisions were under the jurisdiction of the Canadian Transport Commission. He said they would be reviewed by that body.

Upon checking my facts again I asked the minister a few days ago if he would clarify the role of the commission regarding air line schedules. I make the point now that air line scheduling is the prerogative of the air line involved, not of the Canadian Transport Commission. However, the minister again told the house that the commission has responsibility for air line schedules and by this he implied that the commission has the authority to approve or disapprove of changes thereto. I am sure the minister did not deliberately mislead the house, but again I make the point that the air line decides on the amount of service given to a particular city, not the Canadian Transport Commission.

The minister said a few days ago that the commission will be reviewing Air Canada's winter schedule to Edmonton. As of this afternoon the commission had no such plans.

Air Canada is Canada's national air line. It is owned, financed and supported by the taxpayers of Canada. It reports to parliament through the Department of Transport, not through Mr. Pickersgill or his commission. If the minister is aware of facts that are not at my disposal I would appreciate it if he could clarify the role of the commission with regard to its involvement in air line schedule changes. It is my information that the commission does not have to approve such changes.

I should like to ask the minister whether he will in the near future make representations to the management of Air Canada to restore service in and out of Canada to its previous level. I need not point out that Edmonton is the capital city of the province of Alberta and I have the honour to represent in this house a number of its citizens.

It appears to me that Edmonton is not going to get too far with Air Canada until we have some representation on the C.N.-A.C. board of directors. Since one of the members from southern Alberta has recently resigned from this board over the disagreement regarding the appointment of Mr. Seagrim, perhaps there may be some hope now for Edmonton representation. It is important that Alberta have proper representation, that appointments are not made as political rewards and that elderly persons are not added to this already ponderous board. We need some young blood to stimulate the old.

• (3:40 p.m.)

The treatment being accorded Edmonton by Air Canada is a disgrace. The Edmonton-Vancouver service has been reduced from 38 flights to 28 flights a week, and seating capacity from 4,200 to 2,900. Edmonton has only one direct dayline flight to Toronto. The Edmonton-Winnipeg service has been reduced from 42 flights a week in summer to 28 flights, and the seating capacity is down to 2,320 seats from 3,330. The government has shown no concern about protests from business, industry and the Alberta Aviation Council. The new winter schedule is a blow to the city of Edmonton and an insult by Air Canada and this government to the capital city of Alberta. If Air Canada cannot provide a reasonable service there is only one thing to do—let C.P.A. come in and do the run on a daily basis.

Again I say, Mr. Speaker, that we had the spectacle of the minister from Winnipeg hiding behind the coat-tails of the transportation commission and attempting to test the credulity of this house with the statement that the transport commission was responsible for setting the schedule. This is ridiculous. He knows as well as I do that the schedule is set by Air Canada, and he knows that Air Canada has cut back on the service to Edmonton residents deliberately and of its own volition. If people in Edmonton want to get any kind of service to the United States they are now forced to fly to Winnipeg first. Now we have the Minister without Portfolio making sure that Winnipeg is well taken care of, while Edmonton is being neglected. The Minister of Transport (Mr. Hellyer), who has the nominal responsibility in this regard, is so busy running round the country that he has no time to look after his own responsibilities

The new winter schedule, which deprives Edmonton of service to which it is entitled on past performance, is causing harm to the city's economic expansion. At a time when air travel to and from Edmonton has been expanding at a rapid rate, Air Canada comes along and reduces the facilities. No reason has been given, because no reason can be given. I am asking the Minister without Portfolio and the Minister of Transport, when he returns, to put prejudice aside and reopen this question so that Edmonton will be given the service to which it is entitled. Failing that, the ministers can lend support to the granting of a daily flight plan to Canadian Pacific Airlines, who at least are willing to provide reasonable service if Air Canada is not.

Mr. James A. McGrath (St. John's East): Mr. Speaker, in rising to participate in the debate on third reading of Bill C-124 I am very conscious of the fact that just a few days ago some of us spoke extensively on the resolution stage of the bill and asked a number of questions at the committee stage. I am very much aware of the fact that it is not usual, especially on a bill of this nature, to debate third reading. But the circumstances that prompt some of us to rise are also unusual. It is not every day that the government of this country condones a move on the part of two of its agencies, the Canadian Transport Commission and the C.N.R., to totally abandon rail passenger service in a whole province of this country. I submit that the circumstances are unusual, and consequently we feel obliged to make a few remarks on third reading of this bill.

I note again with regret, as have some of my colleagues, the absence from the house of the Minister of Defence Production (Mr. Jamieson), the hon. member for Burin-Burgeo. He has at no time indicated an interest in this subject save for a few remarks during the course of his speech in the debate on the Speech from the Throne. At that time he tried, in a very inadequate way, to defend the action of the C.N.R. and the Canadian Transport Commission, and in effect implied that the government of which he is a member was prepared to stand behind this unjust decision.

I wonder where the Minister of Defence Production, who sits in this house as the hon. member for Burin-Burgeo, would be if tomorrow Canadian National Railways decided they were going to abolish the coastal service in Newfoundland. The Minister of Defence Production knows better than anybody in this house what the consequences of such a move would be for the people it is his responsibility to represent here. The Newfoundland coastal service is absolutely essential to the people of the south coast of the province, whom the Minister of Defence Production represents in this house. Yet this is the next step in what we consider to be the total abandonment of Canadian National Railways services in the province of Newfoundland. We consider that the rail abandonment is merely the first step in a program of complete abandonment: first, the passenger service, second the coastal service and third the freight service. Then the C.N.R. transportation services will be gone completely.

We reiterate the point we made in the house two weeks ago, that until this becomes national policy, until it becomes the policy of the government of Canada to allow Canadian National Railways to abandon their train services in all the other provinces of Canada, we will oppose it. My submission, which is inherent in this whole question, relates to the entire concept of public transportation. Public transportation made this country what it is. I believe it is a well known fact that before any segment of the public transportation system of this country can be abandoned the people who depend on that particular segment must show, and show conclusively, that they no longer need the service and in fact that they no longer want it.

In my humble submission the opposite is true of Newfoundland. When the transport commission opened its hearings in St. John's, briefs were presented to the commission in opposition to the C.N.R. application. I know of no brief that was presented which supported the application of Canadian National Railways. Since that time petitions have been circulated throughout the province of Newfoundland. These petitions contain hundreds and hundreds of names of people from all walks of life. As a matter of fact, since we on this side of the house rose to speak a few days ago my colleagues and myself have received telegrams, letters and communications from every segment of Newfoundland's population including, I might add, most of the labour unions in that province. This is why I note with regret the fact that the hon. member for Winnipeg North Centre (Mr. Knowles) and his colleagues failed to rise and support us in this house. At the present time an appeal has been lodged against the decision of the Canadian Transport Commission

allowing Canadian National Railways to abandon its train services. That appeal was initiated, I believe, by the Newfoundland Federation of Labour, with whom the hon. member for Winnipeg North Centre and his colleagues profess to have some sympathy.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, would the hon. member permit a question? I wonder whether he realizes that the only reason we did not rise and speak of this issue was that we thought he and his colleagues were doing such an excellent job. We are right behind you. Keep it up.

Some hon. Members: Hear, hear.

Mr. McGrath: Mr. Speaker, that is the type of loaded question for which the hon. member is so well known. Nevertheless, we accept his implied support and hope he will give us some vocal support before this bill receives third reading. It is not my intention to take up the time of the house, but there is one very important point that I feel is germane to the debate and important in this whole question. It is that during the last federal election, when the six of us who sit on this side of the house stood for election in the province of Newfoundland one of the main planks in our platform was the retention and upgrading of the rail passenger service in Newfoundland. The people of my province proved conclusively by their votes—two-thirds of them supported our party and sent six members here to manifest that support—that they wanted to retain the rail passenger service in Newfoundland. It was in effect a plebiscite which said to the government of Canada, to the Canadian Transport Commission and to the Canadian National Railways: we want to keep our rail passenger service.

• (3:50 p.m.)

I further submit that the government of Canada has an obligation, in respect of this important segment of the public transportation system, to listen to the voice of the people. The people of Newfoundland have proved by their mandate on June 25, by their briefs submitted to the transport commission, by their letters and telegrams, and by their appeal now lodged with the transport commission, that they want to retain the rail transport system in Newfoundland. In fact, they not only want to retain it but they want it upgraded. They want a service equal to the service enjoyed by Canadians in other provinces of Canada.

The point has been well made that in very few provinces of Canada where Canadian National Railways operates rail passenger services does it come anywhere near to operating in the black. As a matter of fact, I think it is fair to say most if not all of them, apart from some of the main interurban services, operate at a substantial loss.

In conclusion, Mr. Speaker, I submit through you to the government of Canada that it has a solemn obligation to uphold the spirit of the terms of the union, in particular to uphold the spirit of term 29 and the letter of term 31 dealing with this important aspect. I serve notice now on the government through you, Mr. Speaker, that the people of Newfoundland intend to see to it that they get justice in this matter.

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Speaker, at this stage of our consideration of Bill No. C-124, you will allow me, I hope, to point out certain deficiencies in the administration of the C.N.R.

We all know that, originally, the C.N.R. took special pains to provide services in areas lacking in adequate transport facilities. Unfortunately, the closing down of several stations proves that the main reason for the founding of this company is being completely ignored. Stations are closed down in the interest of a greater centralization. I am not against the closing down of stations which have no reason for being kept open, but only against the unjustified disappearance of economically viable stations. In view of the fact that in the province of Quebec and in Newfoundland there are still important villages which have no paved road linking them with other parts of the country, in my opinion these stations should be most definitely maintained.

The C.N.R. services in those localities are not only essential but they could also make money, in my opinion, since there is practically no competition.

Mr. Speaker, it is important to re-examine carefully the centralization plans of the C.N.R. In my opinion, too much centralization can lead to the operating deficits that we know, to say nothing of the displacement of a number of workers who are the real victims.

I would like to mention here the fate of telegraph operators in particular. Several of those agents are called upon to do all types of work, except that for which they were trained. Those station agents are displaced

without their many years of service being taken into account. Stations are closed down without taking into account the accidents which can happen following the lack of traffic experts.

Men trained for the maintenance of tracks are dismissed, and those who are kept by the company are transferred to the maintenance of extended sections, sometimes twice as long as what they are humanly able to look after. The great number of accidents which occurred recently are the result of this new centralization policy. In fact, if one goes back to the past, damages caused by the derailment which happened in December 1966 at Rivière-à-Pierre, when 25 cars ran off the line, amounted to $1.5 million.

A train went off the track in the county of Kamouraska and following an investigation and an examination of certain important parts of the cars, we were informed that there were not enough maintenance men. In fact, trains do not stop long enough to be checked.

Two trains ran into one another in Drummondville, and the cause of this accident is still unknown. A few days later, in Ontario, two trains collided on the same track; the cause of the accident is unknown to date.

Mr. Speaker, air companies sometimes lose airplanes which crash on mountains or fall in the sea. When he learns of such a loss no member of the house, no citizen is surprised.

But when one learns that the Canadian National lost a train between Quebec and Montreal, for instance, one is entitled to wonder.

Mr. Speaker, I once was on a train which got lost between Montreal and Ottawa during the 1967 winter. This Canadian National train which was going to Ottawa, was switched on a C.P.R. track. It ran for eight miles before being traced. There were 250 people abroad, among whom were several members of the house. For the information of those who would doubt my word, I suggest that they inquire further about this of a former official of the Post Office Department, the hon. member for Gaspé (Mr. Cyr), who was with us on that day. He will be able to tell you that we arrived in Ottawa forty-five minutes late.

An hon. Member: They never knew where they were going.

Mr. Godin: Mr. Speaker, I should like to recall the danger to which we are exposed when we board C.N.R. trains. Excessive centralization, curtailment of staff at the wrong places—

[Mr. Godin.]

Mr. Ouellet: Mr. Speaker—

The Acting Speaker (Mr. Béchard): Order. The hon. member for Papineau wishes to direct a question to the hon. member for Portneuf.

Mr. Ouellet: Mr. Speaker, I should like to ask the hon. member for Portneuf whether he is in the process of charging C.N.R. officials with an attempt to lead astray a group of créditiste members?

Mr. Godin: Mr. Speaker, I should like to point out that, at that time, we were not very many in this house, and that the hon. member is no doubt mistaken, even though once more he had a majority on board the train.

Mr. Speaker, in my opinion, the curtailment of the staff at the wrong places warrants an investigation, because in certain areas the staff has been reduced to the point where it is dangerous to travel on board C.N.R. trains.

And while the government, in order to promote the development of foreign countries, provides millions of dollars earmarked for road and railway construction, the Canadian people witness a decrease in services, under the pretence of economy. Less fortunate countries are developed by improving the railroads, but to develop Canada, to achieve a just society, services previously given are decreased.

• (4:00 p.m.)

Mr. Speaker, jobs as station agents in rural areas and in small towns are being done away with, and this constitutes a real problem. In fact, it is not realized that no money is saved because those positions are transformed into city jobs, in the large centres, for the white-headed boys. Recently I met a station master who still has his job, in spite of it all. He explained to me that, in the one day, he had had to render accounts to three inspectors.

In view of numerous deficits, notwithstanding successive presidents at the head of this company, in view of the patronage at the hiring level, in view—and I repeat it—of massive lay-offs, numerous accidents with loss of life, many differences in freight rates, and in special rates granted to companies that contribute to the election funds, there is serious reason for concern.

I wonder whether the minister would not take these problems into consideration and, if he is not in a position to give us an answer today—which I doubt, for he probably does not have all the data on hand—whether he might not order an inquiry to establish whether it might not be advisable to define the obligations of this crown corporation towards the public. I therefore ask the hon. minister to study this question and perhaps, when the estimates of his department come up for study, he can give an answer to the problems I have just pointed out.

[*English*]

Mr. Joseph Philippe Guay (St. Boniface): Mr. Speaker, I should like to tell you first of all, as I am sure you are aware, that this is not my maiden speech. I am keeping that for a more appropriate moment. But I feel it is very important that I stand up today and support not the policy of the hon. member for Winnipeg North Centre (Mr. Knowles) but rather what he has said pertaining to the necessity for maintaining the Air Canada overhaul base in our province.

Mr. Knowles (Winnipeg North Centre): Hear, hear.

Mr. Guay (St. Boniface): I believe, as many others have said, that it should be clearly understood and emphasized, even repeated many times if necessary, that we are not taking anything away from Montreal or Quebec when we request the minister to give consideration to retaining the base in Winnipeg. We are not taking anything away from them; rather, we are trying to hang on to something we have. We are just like a man falling into a pool; we are trying to hang on to something. We are hoping that someone will give us a handout rather than take from us something which maintains life in our area. It is therefore vital that consideration be given to retaining the maintenance base.

I think we are all aware that when the railways came into the west people said that was a lost cause. However, the money that was expended to establish the railways in the west was of benefit to all Canadians and certainly helped the development of western Canada. The same consideration should apply in the case of our keystone province. I believe all members should give consideration to this problem and studies should be undertaken to determine the potential of our keystone province in respect of the development of air travel.

We are also conserned about the employees who have been with Air Canada since its inception. Many of these employees have worked for Air Canada for years in the hope they would be able to remain with their families in our province and in the greater Winnipeg area. Many of these employees would not be in a position to accept a transfer even if they desired to do so. It would be very difficult for them to move outside of our province.

There is another aspect of this problem that many of us are not considering when we are asking the government to retain the maintenance base in Winnipeg. I refer to the position of the suppliers. The employees of these suppliers are almost as numerous as the Air Canada employees and the removal of the base would have a terrific economic effect on the greater Winnipeg area. Today I should like to ask for the support of all those who are in favour of retaining the base in Winnipeg. While I am not going into all the details of our reasons for desiring that the base be maintained in western Canada, I want to emphasize that we are not taking anything away from anyone. We are only asking the government to leave with us what we have. In other words, we want the Air Canada base to remain in the greater Winnipeg area.

[*Translation*]

Mr. André Ouellet (Papineau): Mr. Speaker, I should like to voice briefly my objection to certain remarks made earlier by the hon. member for Winnipeg North Centre (Mr. Knowles) according to whom the Minister without Portfolio has been criticized by some of his colleagues in the Liberal party.

I must congratulate the Minister without Portfolio on the work he is doing and I must assure this house, and in particular the hon. member for Winnipeg North Centre, that the minister is not being criticized in the least for the stands he has taken. On the contrary, several members of the province of Quebec and, in particular, of the Montreal area made representations to the Minister of Transport (Mr. Hellyer) and to the Minister without Portfolio concerning the construction of the international airport in Montreal and the Air Canada maintenance base in Winnipeg.

In spite of the accusations made by a union leader of the Q.F.L. the members of the Montreal area, far from taking no interest in the matter, have followed it closely. They have been active in this field for some time now. They may have done so without fuss, without calling press conferences and making

statements as seems to be the habit of a certain union leader, but they have taken up the matter with the ministers concerned and with officials of the Transport Department. We hope that the decisions taken in the past by Air Canada directors concerning the Winnipeg maintenance base—and taken not for reasons of political patronage but for reasons of economy—will be maintained.

We appreciate the co-operation shown by the government and in particular by the Minister without Portfolio who, we have been told earlier, is being criticized. I must say that the minister is not criticized in the least. We believe that, in the next few months, a solution should be found that takes into account the recommendations of a commission of inquiry which could also find a solution to the Winnipeg problem.

Before I bring my remarks to a close, I should like to point out that on several occasions here the opposition criticized the Minister of Transport for being absent from the house. I should like to remind you that last year, in the month of October, the opposition presented a motion of non confidence against the government precisely because it believed there was no minister responsible for housing problems.

• (4:10 p.m.)

Although the government is dealing actively with these problems, although a minister is going around the country and looking determinately for a solution to the serious housing problems, the opposition is still not satisfied.

On the contrary, all the members of the house should pay tribute to the hon. minister and member for Trinity for his excellent work. In addition to the extremely important work he is doing in housing, he continues to assume his responsibilities in transportation, where he is ably assisted by the member for Winnipeg South and Minister without Portfolio (Mr. Richardson).

Some hon. Members: Hear, hear.

The Acting Speaker (Mr. Béchard): Order. The member for Champlain (Mr. Matte) wishes to put a question to the hon. member for Papineau.

Mr. René Matte (Champlain): Mr. Speaker, I shall allude to the situation the member spoke of at the end of his speech, when he said that the Minister of Transport was not here often and that the opposition criticized him for it. Might the absence of the minister not be due at times to the reasons the member for Portneuf mentioned a while ago? Might it be that he gets lost aboard some train or other?

Mr. Loiselle: What a crazy question.

Mr. Ouellet: Mr. Speaker, a question was put to me. I feel I have the right to answer it—

An hon. Member: No, it is not worth it.

The Acting Speaker (Mr. Béchard): Order. The question is out of order.

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

The member has just made a slightly foolish remark, in the style of those of the Ralliement Créditiste representatives, those who get lost on trains—

The Acting Speaker (Mr. Béchard): Order, please.

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

Mr. Ouellet: There is none—

The Acting Speaker (Mr. Béchard): Order, please.

Mr. Matte: My question might be funny, Mr. Speaker, and I agree quite candidly, but it jolly well completes the question that the hon. member had asked to the hon. member for Portneuf.

An hon. Member: Stupid.

The Acting Speaker (Mr. Béchard): Order, please. There is no question of privilege.

[*English*]

Mr. Knowles (Winnipeg North Centre): Would the hon. member permit a question? Would the hon. member for Papineau accept my thanks for the comments he made about the situation at Winnipeg, and will he see that a copy of his remarks gets into the hands of the hon. member for Lachine to offset his criticism of the Minister without Portfolio?

[*Translation*]

Mr. Ouellet: I am sorry, Mr. Speaker, but I did not understand the hon. member's question very well, because another member of the Ralliement Créditiste was again filibustering and speaking while the hon. member for Winnipeg North Centre (Mr. Knowles) was asking me a question.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, my question was in two parts. Would the hon. member accept my thanks for the things that he said about the situation in Winnipeg, and will he see that a copy of his remarks gets into the hands of hon. member for Lachine?

[*Translation*]

Mr. Ouellet: I hope that the hon. member for Lachine (Mr. Rock) will read my remarks in the official report.

[*English*]

Mr. Knowles (Winnipeg North Centre): So do I.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I want to take but a few moments to outline to the house what I believe is a very shortsighted approach by the railways in connection with the relatively new potash industry in western Canada. By way of background, I want to inform the house as to the size of the industry at the moment and how large it is expected to become in years to come.

The potash industry, though relatively new, is rapidly overtaking the production of the entire world. The industry is centred in the province of Saskatchewan and has an adequate supply for something like 1,000 years. In other words, there is for the railways a potential market in the transport of potash. Although there are approximately only ten mines, by the year 1969 these will overtake Russia in production. By that year about 5.4 million tons of potash will be produced in Saskatchewan. Eight years from now world production will double from 16 million to 31 million tons. However, owing to overproduction in the last two years the industry is going through a very critical period. In the year 1971 the supply of potash will exceed the demand by 33 per cent.

Several factors have brought this situation about. As I have said, one is overproduction. In addition, new mines have been opened. There is a need, first of all, to educate countries on the use of fertilizers. Many countries lack the necessary resources. However, by 1977 supply and demand should level out.

I believe that the railway companies are, as it were, missing the boat in regard to transporting the products of this industry. As a result of the overproduction to which I have referred, mines have had to cut back on their production. They are operating at something like 20 per cent under capacity. Therefore they are looking for economies, and one area they are exploring is that of transportation.

I might point out that it costs between $9 to $16 a ton to move the potash produced to the central markets of North America. It costs $9 a ton to transport it to Pacific ports, with an additional $29 a ton for ocean freight. However, these companies have been negotiating with United States railway companies, which have taken up the challenge that Canadian railway companies cannot seem to meet, and the Great Northern Railway has accepted the concept of unit train loading.

At the present time, I.M.C. mines at Esterhazy are using trucks to transport their production of potash from the mine sites to Northgate in the United States where it is loaded on to United States unit trains for transportation to the Chicago-Minneapolis-St. Paul areas. It seems passing strange that railway companies operating in Canada, with rail beds laid and rolling stock available in an area of potential business for years to come, cannot see their way clear to transport the products of this industry, if not at a profit, at least at a rate sufficient to balance their books for the next few years until it does become profitable.

I do not see why any mining company should decide after a few years to revert to transporting its production by rail when it has been operating a fleet of trucks to move production to the United States border whence it is hauled by U.S. railway companies. Neither do I see why the U.S. railway companies should surrender the business, having operated their unit trains apparently at a profit. I understand that the potash industry is at present saving by this method something like $5 a ton, so surely there must have been room for a little leeway on the part of the railways.

I should like to refer to a very timely article that appeared in the *Monetary Times* for this month. Part of it reads as follows:

> According to R. W. Puder, I.M.C. vice-president in charge of materials management at Skokie, Ill., the decision to establish the truck operation was the direct result of the failure to negotiate satisfactory arrangements with Canadian railways which, he says, refuse to accept the unit train concept.

I have already indicated that Saskatchewan has 1,000 years' supply of potash. Apparently the trucking company transporting this potash is making a profit; otherwise I presume it would not do it. Also the U.S. railway companies must be making a profit or they would not be interested. Yet our own railway companies do not have the foresight to retain

this business for the next seven or eight years if necessary until world production equals world demand, at which time they could make a profit. The Canadian railway companies are quite prepared to cut down railway service in various parts of Canada, abandon railway lines in other places and raise freight rates, but they are not prepared to seek new business that obviously has tremendous potential. This leads me to suspect there has been some shortsighted and very short range thinking on the part of the railways. They have never indicated what the explanation is.

• (4:20 p.m.)

In addition, what is to happen to the railway town of Melville? It has always been a railway town. The employees will have to move and find other jobs because the train service is to be abandoned. Present services will be dislocated and the potential for growth will be curtailed. Why, Mr. Speaker? Because the railway companies do not wish to give the town any backing. They consider that in that area they have a captive market and they will not reduce freight rates from Churchill, even though the result may be that freight cars return empty. The railway companies do not seem to have been clear in their thinking since they obviously prefer their cars to be loaded going one way and to return empty. That does not make sense.

I said I would be brief, and I do not want to detain the house any longer. Nevertheless we must have some explanation from the railways about the immediate losses of business being suffered as well as those business losses that will be suffered in the years to come. Railway revenues will drop. Every year the I.M.C. people will move out something like 1,200,000 tons, saving in the process $5 per ton. And this amount is to be moved at medium production levels. What is to happen later? We must hear an explanation from the railways as to their thinking on this matter and why they are giving this business to United States railway companies. Why can trucking companies make a profit when our railways cannot see their way clear to continue under present conditions?

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I am amazed not only at the support we have had within our own party, which is to be expected, but at the support we have had also from Liberal members of the house. I appreciate the remarks of the hon. member for Moose Jaw (Mr. Skoberg) who spoke last Thursday or Friday, as well as the remarks of the hon. member for Gloucester (Mr. Breau).

To judge from the remarks of hon. members this afternoon, though matters such as this are seldom debated the present C.N.R. financing bill would have great difficulty in passing through the house if we had the full co-operation of all those who are interested. Quite a few of my friends in the Liberal party have expressed support for the maintenance of the Canadian National passenger service in Newfoundland. The hon. member for St. John's East (Mr. McGrath) said that Newfoundland has six Conservative members of parliament—

An hon. Member: Six good Conservative members.

Mr. Lundrigan: —and that a major plank in their electoral platform was the maintenance and upgrading of the C.N.R. passenger service. The hon. member for St. John's East referred to the voice of the people, an interesting phrase. It is the key to the entire democratic system of the western world. The voice of the people ultimately makes itself heard through the representatives of the people in governments at various levels. Clearly the Canadian Transport Commission and its captain have not paid attention to the voice of the people. Still, that is characteristic of the present government.

The six Conservative members of parliament from Newfoundland were given a mandate or a vote of confidence, if you like, to make sure that our rail passenger services are continued and upgraded in quality. Not too many months ago we travelled across the island of Newfoundland in order to gather support for the continuance of our passenger service. Our people gave us tremendous support, and in almost every community it was the same story.

The Canadian Transport Commission or its subsidiary, the rail transport committee, held hearings in Newfoundland. After reading the report of the hearings I find it difficult to see on what the commission based its decision. Nobody agreed with the abandonment of our rail passenger service, and I want to remind the members of the commission of that fact. Almost everyone who appeared before the commission was totally in favour of maintaining our rail passenger service. In fact, on our tour of Newfoundland we saw many indications that the people supported the maintenance of this public service. That was the voice of the people speaking in support of that service.

If Captain Jack Pickersgill of the commission were sitting opposite me this afternoon I might show him this petition which has appended to it 2,448 names. That fact deserves to be noticed. We have had telegrams from just about every union, every community and every organized group. We have heard from literally dozens of communities. On November 1 Conservative members of parliament spoke in support of maintaining our rail passenger service. On November 4 I received a petition from the transport commission employees union, and if I had time I would read the preamble. As I have said, 2,448 people from right across Newfoundland, from the communities that will be affected, put their names on that petition. They do not want rail passenger service to be abandoned. That is the kind of reaction we have had in Newfoundland.

Time does not permit me to speak of all the support we have had in Newfoundland. The people of Newfoundland know that the abandonment of their rail passenger service would have tragic consequences for their economy. We want our transport system to be upgraded and not abolished. I am not against Jack Pickersgill earning $40,000 a year. I do not mind when a man tries to build himself up through the winter and make a living for his family.

Some hon. Members: Oh, oh.

Mr. Lundrigan: I am not against most of his commissioners, the autocrats and bureaucrats making $24,000 a year and up. I am not against people making a good living; I think people ought to make a good living. After all, are we not living in the new just society? I hear no applause from the right hon. leader of the rump.

Some hon. Members: Hear, hear.

Mr. Lundrigan: But I am against having our passenger service abolished merely to justify the existence of another bureaucratic body. That is what it amounts to. It is costing the government $1 million a year to keep the Canadian Transport Commission in funds; it is also costing it $1 million a year to provide rail passenger service in Newfoundland. Clearly, by removing the rail service the government can afford to maintain the commission.

I serve notice to the captain of that commission and his $24,000 a year men that they should take heed of the words uttered by the right hon. member for Prince Albert (Mr. Diefenbaker) some time ago, that it is a long road that does not have any ash cans.

• (4:30 p.m.)

[*Translation*]

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, I do not want to take up the time of the house and I do not rise, like my friends from Newfoundland, to bury a dead horse. I would rather revive certain projects which are dear to the people of Madawaska and to the congenial people of the Victoria riding which I represent.

I intend to speak only for a few minutes on the passenger-train service which has been provided to us since the spring of 1967 by the Canadian National between Moncton, Edmundston and Montreal. It is important to mention here that this passenger train which was made available to the people living along that railway line was cancelled from another line linking Moncton to Montreal through Campbellton, the Matapedia Valley, Rivière-du-Loup, and Quebec.

Nevertheless, this other railway line is already provided with a passenger service, so that we now have on both sides of the province trains going to Montreal, Halifax or Sydney, Nova Scotia.

But, since the Canadian National saw fit to grant passenger services to the people living in Madawaska, Victoria, Carleton and York counties, I think it would be equally important for the C.N. authorities to consider providing such a service at more suitable hours. Otherwise, there is no reason at all for ensuring that service since it is not suitable at present.

The train leaving Edmundston at 11.35 p.m. arrives in Montreal at 7.30 a.m. the following morning, Edmundston time, according to the winter schedule. Nevertheless, the return train to Moncton leaves Montreal station at about 4.15 p.m. and arrives in Edmundston in the middle of the night, at about 2.15 a.m. What is most annoying is that as the train pulls in, the engines have to refuel, which means that passengers often have to wait for more than 10 minutes before being able to get off. In the matter of bad publicity, I think that beats it all. The train should be able to refuel while allowing at the same time the passengers to get off. That is the point I wanted to make.

Something baffles me. Last winter or last year—I am not sure about the date as I have no prepared text—when the Quebec Air Company came before the Transport Commission

in Bathurst, the Canadian National opposed the request from Quebec Air to establish a service between Quebec, Edmundston, Bathurst and Gaspé. They said "We just granted a passenger rail service to the Edmundston people and now they want an air service"—as if it were a sin to ask for an additional transport service.

If the Canadian National Railway really wishes to give a good service to people in my area, in Madawaska, Carleton and York counties, let them change the departure hour of the train that travels from Montreal to my area. Instead of leaving the station in the middle of the afternoon, it should leave about 8 or 9 o'clock in the evening, so that the passengers, instead of reaching their destination in the middle of the night, may sleep on board, because we do sometimes get some shut-eye, so as to get to Edmundston around 8 a.m.

That service would be of great help to everyone.

On the other hand, if the C.N.R. keeps objecting, as it has to the application of Quebec-Air, in Bathurst, to set up an air service at the request of the cities, villages and chambers of commerce of the area, it should think seriously about improving its service between Edmundston, Montreal and Halifax.

That is what I had to say, Mr. Speaker, and I wanted very much to say it because those are things which must be clearly understood.

[*English*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, in rising to say a few words about the position of Air Canada in relation to my home city of Winnipeg I am mindful of the fact that I have spoken on this subject on a number of occasions in sessions of former parliaments. I have made my position clear and I think there is no need for the people of Winnipeg to wonder about the stand I take. At the same time, we do have a new government, a new Prime Minister (Mr. Trudeau) and a new Minister of Transport (Mr. Hellyer), and I believe I should put on record once again the views which I and, I think, the people of Winnipeg and Manitoba hold regardless of their political opinions, with regard to this situation.

If I were to suggest I am making this speech unmindful of the fact that this is a situation which vitally affects the interests of the people of my city, hon. members would undoubtedly question my objectivity. Of course one of the reasons I rise today is that this issue affects the city from which I come. But the position I take today is, I suggest, the same as the position I take whenever any question arises affecting the welfare of any part of Canada.

I do not believe we want to see in this country a wealthy Montreal, a wealthy Toronto, and second class citizens elsewhere. I have always believed that one of the most important functions of any federal government is to do whatever it can, after considering all the implications, to improve the productivity and the living standards of people in all regions of Canada. It is with this in mind that I have always supported proposals by Liberal and Conservative governments for the expenditure of large sums of money under ARDA programs. I recognize the importance of improving the economic well-being of the rural population. This is why I supported a proposal to set up a heavy water plant on Cape Breton Island despite arguments that there were other areas in this country where the plant could have been built much more cheaply. But I understand, as do other hon. members, the difficult situation which the people of Cape Breton Island have to face.

It is for this reason that the hon. member for Moose Jaw (Mr. Skoberg), speaking on November 1, endorsed the representations made by Newfoundland members of parliament opposing the proposal of the C.N.R. to abandon passenger rail service in that province. I wish to associate myself with those representations. The hon. member for Winnipeg North Centre (Mr. Knowles) has already done so. If Canada is to be one country, surely a whole province, and not a small one by any means, cannot be left without rail passenger service. I suggest that under the agreement by which Newfoundland came into confederation there is a moral, if not a legal, obligation on the part of any government of Canada to see that at least a minimum railway passenger service is maintained in the province of Newfoundland.

• (4:40 p.m.)

Some hon. Members: Hear, hear.

Mr. Orlikow: As I said, Mr. Speaker, I wish to say something about the problems of Air Canada and its overhaul base. Let me say that I am not one of those who think, as apparently the hon. member for Lachine (Mr. Rock) does, that a choice must be made between Montreal and Winnipeg. That possibility disappeared many years ago. However,

I believe the record should be kept straight. Air Canada, or Trans-Canada Air Lines as it was known for 30 or more years, had its headquarters, most of its departments, its planning staff and auditing staff located in the city of Winnipeg. I do not intend to put the whole sad story on the record step by step. But beginning in 1948 there were indications that the former Trans-Canada Air Lines was beginning to move departments from Winnipeg to Montreal.

In 1948 my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles), asked the then minister of trade and commerce, Mr. C. D. Howe, for assurance that the headquarters and main departments of T.C.A. would not be moved from Winnipeg. He was given the most categorical assurance that this would not happen. These assurances were confirmed several months later by the then president of Trans-Canada Air Lines. From that date to today, however, there has been a gradual movement of Air Canada departments and personnel from Winnipeg to Montreal.

As I said on an earlier occasion and repeat today that decision to move, which must have been planned pretty carefully by the management of Air Canada, was never communicated to any minister of transport in the past 20 years until just a few years ago when the then president of Air Canada made a statement to the effect that the whole operation would terminate. When that happened there was, of course, consternation among the people of the city of Winnipeg. Representations were made by the widest group of organizations I have ever seen come together on any one question. These included the government of Manitoba, the city of Winnipeg, the muncipalities around Winnipeg, the chambers of commerce, the boards of trade, the trade unions and the farm organizations. They all made representations to the then government.

What happened at that time? The then prime minister, Mr. Pearson, made the categorical statement that the base would continue its operations at the city of Winnipeg at least until 1973. When the minister of transport, the present Solicitor General (Mr. McIlraith), was in Winnipeg in 1963 he was asked whether the government had been given a firm guarantee that the base would continue its operations in Winnipeg until 1973. He said:

> It is a firm fact that the base will be kept open for the next decade.

Despite those assurances there has been a constant whittling away of the staff at the base in Winnipeg. When this matter was debated on November 1 the hon. member for Winnipeg South Centre (Mr. Osler), in speaking along the same lines I am speaking today, gave the number of employees at the overhaul base in Winnipeg as 700. When we were discussing this question in 1963 and 1964 the number of employees was in the neighbourhood of 1,000 or more. So there has been a reduction in the past few years of approximately 30 per cent despite the fact that the then prime minister, minister of transport and subsequent ministers of transport on behalf of the government gave the most categorical assurances that the base would be maintained at Winnipeg at least until 1973.

I would be foolish if I were to attempt to reverse the process by proposing that all the overhaul facilities be moved to Winnipeg, although I think that if the government which was in office at the time when the first decision on the part of Air Canada was made to move part of the overhaul base to Montreal had been told what the company had in mind the decision would have been countermanded. But, Mr. Speaker, we cannot get that kind of change. I should like to suggest that if we in this chamber believe in the economic welfare of people in all parts of Canada then we will realize that it is not too late yet. Recently we had a report from the Minister of Transport which indicated that the airport of Dorval in the city of Montreal and the airport at Malton which services the city of Toronto are much too small and that in the next 10 years they will either have to be doubled in size or new airports will have to be built to service the Toronto and Montreal areas.

I understand that the Air Canada facilities at Dorval are already too small, that the personnel there are working long hours and that there is a program of subcontracting a substantial part of the overhaul work. This is the situation at a time when at the overhaul base in Winnipeg there are substantial facilities and employees with long service who have lived all their lives in the city of Winnipeg. These employees are being forced to move to Montreal. They are being blackmailed because in effect they are given notice that when the overhaul base in Winnipeg is closed, as it will be by 1973 at the latest or earlier if Air Canada continues its policy of ignoring government direction, they will lose the opportunity of continuing to work for Air Canada if they do not move.

With the development of the DC-9, a relatively short range aircraft which cannot be used in overseas flights as can the DC-8, it would seem pretty obvious to me that it is not at all impossible or impractical to have an overhaul base at Montreal which would service large aircraft such as the DC-8's and, I suppose, the subsonic and supersonic planes that will be purchased. At the same time, the Winnipeg base, instead of merely overhauling the Viscounts, could have the kind of permanent facilities which would be capable of servicing the DC-9's.

It is no secret that Winnipeg has not shared in the rapid growth and expansion of cities such as Montreal, Toronto and to a lesser extent Vancouver. There are good economic reasons for this. I would not want to urge the government to do the impossible. If Winnipeg does not have the economic base for population growth to the same extent as Montreal or Toronto then Winnipeg will have to face the fact that it will continue to be one of the smaller cities of Canada. Winnipeg does not have the basic industry which exists in the Montreal and Toronto-Hamilton areas. It is an area which does not have high skilled and high paid jobs such as exist in central Canadian cities.

• (4:50 p.m.)

The loss of a thousand highly paid jobs for skilled employees to the city of Winnipeg would be a tremendously serious blow. The Conservative government of Manitoba, with which I have had differences of opinion in the past and will continue to have, should be commended for the progressive campaigning it has carried on over the years to bring industry to the province and specifically to Winnipeg. I think the Minister without Portfolio, the hon. member for Winnipeg South (Mr. Richardson), with his experience in industrial and commercial enterprise, will agree with me. The province has tried to develop resources and utilize manpower in the province, but what it has been able to do is relatively small. The government has certainly not been able to bring to Winnipeg that kind of industry which employs a thousand or more employees, as Air Canada has done for 20 or more years. The loss of this base to Winnipeg will be a very serious blow to the city, the province and its people.

It is my hope that government of Canada will continue to keep in mind the pledge of the former prime minister and that slogan which the present Prime Minister (Mr. Trudeau) has used so often. I refer to the just society. I also hope that the reports to the effect that the Minister without Portfolio is doing his job both as a minister and as a member from Winnipeg in trying to assure that this base will continue to operate in Winnipeg are true.

Before we conclude this debate I hope the minister will take the opportunity to rise in his seat and tell us what is happening in respect of the investigations the government is making as well as in respect of the negotiations by the government of Canada and the government of the province of Manitoba with Air Canada and other interested parties. In fact it is my hope that, if not today, in the not too distant future we can obtain a statement from the minister or the Minister of Transport (Mr. Hellyer), who is not here very often, that will allay the doubts and fears in the minds of the people of Winnipeg that next year or the year after this base will be completely closed. It is my hope that we will receive a statement from the appropriate minister allaying these fears and giving us the kind of assurance that seemed to be implied in the statement of the former prime minister. He seemed to suggest that not only would the present employees have jobs but more jobs would be available with Air Canada in the city of Winnipeg in years to come.

Mr. Walter C. Carter (St. John's West): Mr. Speaker, in rising to speak on this bill I do so in support of the stand taken by my Newfoundland colleagues and other members of this house in respect of the decision taken by Canadian National Railways to abandon its passenger train service in the province of Newfoundland. This is a very unpopular move, and like every other citizen in that province I oppose it.

I might say for my own part that whenever in the past few months I have heard the name Canadian National I have got a bad taste in my mouth. I see red, as it were, because like most of my fellow Newfoundlanders I know that this move by the C.N.R. to take away what we feel is traditionally ours has created a very sad situation. I hope that the members of this house, the Canadian National Railways and the people of Canada will take notice that my five colleagues and myself, with the people of Newfoundland behind us, have declared outright war on the Canadian National because we feel the people of Newfoundland have been given a dirty deal. If the Canadian National is allowed to carry through with its plan to abandon rail

passenger service in Newfoundland this will be a blot on the consciences of the Canadian people.

This whole abandonment is a betrayal of the terms of union between Newfoundland and the rest of this great nation of Canada. For the Canadian National to abandon the rail passenger service without offering a better alternative than the provision of buses is a disgrace to the nation of Canada. As I have already said in this house, the people of Newfoundland are against this move. I cannot understand the situation because, as one of my colleagues has mentioned, during the June election campaign it was a plank in the platform of the six Conservative members from Newfoundland that this service should be retained.

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

Mr. Baldwin: Mr. Speaker, I do not know what the feelings of the house are in this regard but hon. members might be disposed to hearing the last guns fired in this war we have just heard declared. This would only take about five minutes. I would hope that could be allowed in order that we might see whether we can give third reading to the bill. There is one more speaker on this side whose remarks I am sure can be made within the five minutes. Hopefully the house might be agreeable to that.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, we would agree to suspending private members' hour today for this purpose, but let there be no misunderstanding. The hon. member mentioned is not the last speaker. We are quite prepared to give up the hour at this time for this purpose but we do not want any misunderstanding.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, as far as the Ralliement Créditiste is concerned, we are quite willing to co-operate with the house to complete the study of that bill. However, two or three hon. members want to be heard and I doubt that we can finish that study tonight.

Therefore, I think that we should follow the rules of the house, adjourn the debate, go on to the private members' hour, and take up the debate again tomorrow.

[*English*]

Mr. Roberts: Mr. Speaker, I am not prepared to forgo private members' hour today.

Mr. Deputy Speaker: It being five o'clock we will now proceed to private members' business as listed on today's order paper, namely notices of motion, public bills.

• (5:00 p.m.)

HISTORIC SITES AND MONUMENTS BOARD

SUGGESTED TRANSFER OF AUTHORITY TO SECRETARY OF STATE AND EXPANSION OF RESPONSIBILITY

Mr. John Roberts (York-Simcoe) moved:

That, in the opinion of this house, the government should consider the advisability of transferring the authority over the Historic Sites and Monuments Board to the Secretary of State and of expanding the responsibility of this board from concern for buildings and monuments of unique historical interest to general assistance in the preservation of towns, villages and landmarks of artistic, cultural or historical interest.

He said: Mr. Speaker, this motion is relatively simple and straightforward in both form and content. The first part of the motion suggests that the responsibility for the Historic Sites and Monuments Board should be transferred to the office of the Secretary of State (Mr. Pelletier). The corollary of that transfer would be the transfer of the national historic sites service, which is in effect the civil service arm of that board. I think this would be a desirable phenomenon in any case. Its goals are really part of the general cultural policy which the government should be pursuing. Since the National Museum of Canada is now the responsibility of the Secretary of State, it would seem to make more sense to have the Historic Sites and Monuments Board in the same place.

I would, however, prefer to spend most of my time today speaking about the second part of the motion which suggests an expansion, in effect, of the terms of reference of the board. It is my suggestion that the board not be limited as it now is both in regard to funds and function. The terms of reference of the board are not sufficiently broad, and it could be doing a much more valuable job in relation to the preservation and encouragement of the maintenance of parts of our historic and cultural heritage.

My argument is that the present activities of the board are restricted by its initial concept and also perhaps by the approach of those who govern the board, which I believe

is one of historical conservancy. It is interesting that the members of the board are almost, but not entirely, archivists or professors of history. There are on the board no architects, no urban planners, nobody concerned with the history of architecture, no landscape architects. Indeed, the orientation of the board and its origin I think can be clearly seen in a document provided to me by the Historic Sites and Monuments Board. This document indicates that in spite of the changes that have taken place since the board was established in 1919, the fundamental concept of the board has not changed. It is a federal body whose appointed members have the collective duty of advising the minister on what sites, events, persons, buildings and objects are of national historical importance. I emphasize the words "national historical importance."

The board's terms of reference are keyed to historical geography, since the Historic Sites and Monuments Act refers to "historic places." If one looks at the Historic Sites and Monuments Act one finds there are continual references to the historic aspect of the board's function. The minister may, by means of plaques or other signs or in any other suitable manner, mark or otherwise commemorate historic places. He may make agreements with any persons for marking or commemorating historic places and for the care and preservation of any places so marked or commemorated. The minister may establish historic museums. He can acquire, on behalf of Her Majesty in the right of Canada, any historic places or lands for historic museums. One sees that the emphasis is entirely on the historical aspect. If you look at the criteria which the board uses in assessing a project you see that such things are considered as:

> The site or structure shall be closely associated or identified with events that have shaped Canadian history in a prominent way—

Another criterion is:

> The site or structure shall have been prominently associated with the life of a great Canadian or an important movement in Canadian history—

Another criterion is that the structure shall embody the distinguishing characteristics of an architectural type exceptionally valuable for the study of a style or method of construction or its period or be a noteable example of the work of an early master builder, designer or architect. An important consideration of the board in assessing projects is that the potential for illustrating Canadian history shall be high. In other words, there has been what I would call an archival orientation, an emphasis upon the museum or historical function.

What have been the results of this policy? Since 1919 the Historic Sites and Monuments Board has noted 600 sites as being of national historic importance. It has established 31 major national historic parks, and it has preserved over 30 buildings—in almost 50 years of activity. I suggest this is certainly the result of insufficient funds but it is also a result of the restricted interpretation placed upon the words "national historic importance."

If we consider what other countries are doing in this regard we cannot but come to the conclusion that we are lagging behind. In the United Kingdom, for instance, the Historic Buildings Council is supporting 1,200 historic buildings at a cost of something like $20 million. The National Trust in Great Britain is responsible for 190 historic buildings and owns 400,000 acres of land. Indeed, the National Trust is, next to the government of Great Britain, the largest landowner in the country.

I would like to consider what the French are doing in this regard, because they have developed some very imaginative ideas in this area. They are supporting 10,000 classified monuments in France and have elaborated a whole system of financial assistance for the preservation of these monuments. The French government is prepared to provide 50 per cent of the total cost of renovating and maintaining historic monuments. It is supporting about 15,000 monuments and historic buildings listed in the supplementary inventory, and the state can meet up to 40 per cent of the cost of any repairs or maintenance considered necessary.

The French have a policy of encouraging by fiscal measures the owners of properties classified or listed as historic monuments by means of deducting from income tax a proportion of the expenses of repairing and maintaining these buildings. Very imaginatively they have developed a monthly television program called "Masterpieces in Peril" which informs the public not only of the dangers threatening certain monuments forming part of the national heritage but also of the efforts of voluntary rescue workers. They have also established a prize of $30,000 which is distributed each year to persons who have been instrumental in saving or working to save a monument.

Those are European examples and one might suggest that in France and England

there are more historic buildings and places of cultural interest which require to be preserved. But if you look at the United States, a country which we sometimes hear is lagging in cultural and spiritual matters, you find that since 1966 they have been spending over $10 million a year on projects designed to preserve the 17th, 18th and 19th century heritage of that country. Their earlier efforts which were limited, as we are now in Canada, to projects of national significance were found in 1966 to be unsatisfactory.

For instance, in respect of historic sites legislation in the United States it was said that earlier efforts to preserve historic sites had been limited for the most part to projects of national significance acquired and administered by the national trust with donated funds. On the state and local levels, where historic lands and buildings were increasingly endangered by the bulldozer, interest and activity in preservation varied widely. Because of this, in 1966 the Congress of the United States passed an act which was intended to foster interest in saving landmarks of both local and national significance. I emphasize, not simply national but also local significance.

As I have said, they are now spending something like $10 million a year on these projects. The Americans are doing some very imaginative things under their program in connection with the housing and urban development act. They conduct surveys of historic places; they prepare local and state plans for preservation programs; they plan specific preservation activities in urban renewal projects; they acquire, protect and enhance historic buildings and sites, as we do; they carry out special demonstration projects to develop and study significant preservation methods for the guidance of other communities.

This is one of the more interesting things they do. They acquire restorable buildings and resell them to private parties who agree to rehabilitate and maintain them according to the requirements of the urban renewal plan. These buildings are restored and refurbished, then sold to private parties who agree to rehabilitate and maintain them under the urban renewal plan.

In addition, the federal government of the United States makes grants available to assist in planning. For communities of under 50,000 population, the American government has even more extensive programs which are designed not simply to maintain buildings of unique or historic interest but buildings worthy of preservation because of their beauty or interest.

• (5:10 p.m.)

In the United States over 200 of these projects are now under way. It seems to me that in comparison with what other countries are doing the Canadian record of 30 buildings being supported by the Historic Sites and Monuments Board is really a pretty sorry accomplishment. We are lagging behind. I suspect that one of the reasons we are lagging behind is that the board, because of its terms of reference and the fact that it is now within the present department, is not sufficiently concerned with the preservation and maintenance of our cultural heritage. I do not see why the activities of this board should be limited to monuments of a national or historic significance. There are many buildings of local or regional interest which are well worthy of being preserved. I think we should be leading the provinces in this area and not simply following in their footsteps. It should be the federal government which should be concerned, much more that it has been, for instance, with the maintenance, preservation and restoration of the port area in Montreal. How many fine buildings have been lost by delay there? There are many areas in this country—the town of Niagara-on-the-Lake is one—where a great deal of help could be provided to maintain the legacy of our past.

It seems to me we should be investigating more actively the possibility of using tax credits for these purposes. We should be doing more to publicize the fine buildings we have. We should be doing more to encourage interest in them by tourists and travellers in Canada. I suggest that museums and institutions such as Upper Canada Village are fine, but I do not think we should adopt an archival approach to this problem.

We should try to maintain the tradition and the grace of some of the eighteenth and nineteenth century buildings which exist in this country. I think we should keep alive what was good in the past not simply because it is of unique or museum value but because it is good. The roots of heaven are to be found here on earth, but the roots of the present are to be found in the past. Many of the buildings in the Maritimes, Ontario and Quebec preserve a living tradition and living values which have gone into the make-up of what we are as Canadians today. I suggest we should preserve these buildings, and we should be more active in preserving them not simply for their historical significance but because they are part of the values which are

embodied in the Canadian character. We should preserve them not simply because they are unique but because they are good and beautiful.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I want to support the hon. member who has introduced this motion. Like him I feel it is high time that parliament and the government gave more attention to the preservation of Canada's historic past. I am pleased that a member on the government side of the house has brought forward this motion at this time because there has not been too much enthusiasm from that quarter in supporting similar motions that we in this party have proposed from time to time in respect of this matter. The Historic Sites and Monuments Board has, as part of the Department of Indian Affairs and Northern Development, had a rather chequered career. I was responsible for it during the period when I was in charge of that department, and I was aware then that there had been serious neglect in bringing into focus the historic sites which are identified with Canada's pathway to nationhood.

I was fortunate to have the opportunity of being responsible for this board when we were planning our centennial year. As a result there was an upsurge of interest in the subject of preserving and perpetuating Canadian history, and plans went forward to have a major historic commemoration and restoration with the idea of perpetuating living examples of Canadian history in our historic sites. A major project in each province was contemplated. Of course the maritimes were emphasized because that is where a good deal of Canadian history had its beginning. It was during that period that plans went forward for Louisbourg. A project which will be completed shortly at Signal Hill was moved forward into the development stage. Plans were in progress for Citadel Hill in Halifax and right across the country even to the farthermost northern recesses of Canada in commemoration of Dawson City as a historic complex.

I find it interesting that the hon. member has broadened the concept in the resolution to include the preservation of towns, villages and landmarks of artistic, cultural or historical interest. I think the Dawson City complex was the first attempt on the part of Canada to commemorate a whole community which represented one of the high watermarks in the development of the Northwest Territories as it was known in those days. It has been universally recognized through the poetry of Robert Service and the writings of Jack London and is one of the best known historic sites in any part of Canada.

Unfortunately the program that was started in preparation for the centennial has not been expanded beyond that point. I think we were perhaps sidetracked into other activities that became associated with our centennial celebrations. We concentrated on Expo, a major feature of our centennial which represented a huge investment, with the result that the program recommended by the advisory committee in the early planning stages of the centennial celebrations was sidetracked from the fundamental purpose of making 1967 a year when we would have major breakthroughs in the preservation and restoration of our historic past. Unfortunately, even the project for a national museum which would be of a standard befitting a country such as Canada was sidetracked for such projects as the national centre for the performing arts which has been under discussion in this house from time to time. The funds that could have been used for historic preservation and commemoration were drained off into these other projects.

I am hoping there will be general support for the hon. member's resolution because it puts back into proper focus the cultural and historic activity of our country which has been neglected far too long. Of course it also has other features. We often talk about the demands for spiritual and cultural pursuits in this age of growing leisure. When we think of that aspect of the modern society in Canada we immediately move into the whole area of the development not only of historic parks and monuments but also of recreational and national parks. Again this is an area in which the government has been moving very slowly or hardly at all in recent years.

• (5:20 p.m.)

We have heard some talk in recent days that we will be moving forward to establish national parks in the days that lie ahead. However, there has been no change in this situation since 1963. It is not enough for the house to approve a resolution recommending that the functions of the Historic Sites and Monuments Board be transferred from the Department of Indian Affairs and Northern Development to the department of the Secretary of State. This is an interesting change in the physical location of this particular function at the Ottawa level, but the problem is much more inclusive than that.

I should like to suggest that not only Ottawa has responsibility in these matters. Our provinces are deeply involved in historic restoration and preservation. Indeed, many of the provinces have been much more active than Ottawa in this regard. Of course, some of the large urban centres have been active in preserving historic buildings within their borders. In so far as the provinces are concerned, I merely mention such major restorations and commemorations as the pioneer village and old Fort Henry in Ontario and Barkerville in British Columbia, which is a complete restoration of one of the gold rush cities along the gold rush trail. In Manitoba we have Fort Garry, and Lower Fort Garry is being developed as an animated historic site. I have already mentioned Louisbourg, the largest project of this kind which is going forward in the province of Nova Scotia.

Although there is no mention of this in the resolution, I think it is only right to point out now that we might revitalize or even revive the federal-provincial parks committee which was set up back in the sixties in order to bring about a joint program under the auspices of Ottawa and the provincial governments so that Canada as a nation might move forward to do precisely what the hon. member has suggested this afternoon, to accelerate the program of preserving our historic sites.

There is one more subject that I feel should be mentioned at this time. If we are going to co-ordinate our museums, our historic sites and our historic parks program under the department of the Secretary of State for the sake of greater efficiency and, we trust, greater enthusiasm on the part of the government for its responsibilities in these matters, I think we might also give attention to bringing under the aegis of the Historic Sites and Monuments Board the activities of the National Battlefields Commission which operates as a separate entity in the province of Quebec. The sole responsibility of this commission is to preserve, protect and develop the battlefields in and around Quebec city which are associated with Canada's early history. It seems to me that there is absolutely no difference at all in the functions of the Historic Sites and Monuments Board and the activities of the National Battlefields Commission which has this one isolated and exclusive responsibility.

With these comments, Mr. Speaker, I support the resolution. This does not necessarily mean we are going to resolve the problem the hon. member has in mind. The mere shifting of this activity from one portfolio to another might mean a change, as I have indicated, in the physical location, but unless the government becomes more deeply involved in its responsibilities in this regard than it has since 1963, unless it revitalizes the program that was going forward in the early sixties, we are not going to achieve the results that I believe a great many members of this house would like to achieve. In addition to the sentiments in the resolution, therefore, I would urge the government to move forward on the basis of the program that was outlined in the early days of centennial planning, to reactivate the federal-provincial parks committee which has been dormant in recent years, and to attempt to co-ordinate all the activities in the field of historic site commemoration along with general park development with provincial bodies as well as civic authorities. This is the day and age of leisure, which is a trite expression. The government has a responsibility to see to it that Canadians in every part of Canada have park facilities of all kinds so that they may, as the hon. member has suggested, be able to enjoy their spiritual and cultural heritage.

[*Translation*]

Mr. Guy LeBlanc (Rimouski): Mr. Speaker, I would like to make a few comments about that notice of motion which deals with one of the most interesting problems for the Canadian people.

I reluctantly express an opinion contrary to that of my colleague, the hon. member for York-Simcoe (Mr. Roberts). I am reluctant also because my position is the opposite to that of the hon. member for Brandon-Souris (Mr. Dinsdale) who was, before I had the honour of being a member of this house, Minister of Indian Affairs and Northern Development, who is responsible for this matter relating to the Historic Sites and Monuments Board of Canada.

• (5:30 p.m.)

If we consider the problem according to a most current and logical theory, we will be inclined to say that it is logical, that the responsibility for the National Sites and Monuments Board rests with the Secretary of State.

We may appear at first sight to be considering only the cultural, social and intellectual aspect of this problem of development of historic sites, the preservation of historic buildings, and the classification of historic events

during which prominent persons in our history became famous.

However, when a method gives good results, it is not logical to put it away and waste energy which we may need in other fields.

It is obvious that, according to our principles, we are in favour of change and development. However, we must consider that development so as to obtain the most immediate results. This is why I think the mover of this motion has forgotten the role which is now played by the Historic Sites and Monuments Board of Canada, not taking into consideration the environment in which it acts and the principles on which its recommendations are based.

I presume that the department, advised by the board, must also consider extensive projects as well as the available funds and the opportunities of finding specialized personnel in that field to carry out those projects.

For this reason, I am of the opinion that this board should remain under the department, as is the case at present. We should obviously, in keeping with the present policy of the government, tend towards improving government administration. But we can do that not by thinking immediately of making all sorts of changes but rather by stabilizing the structures we already have, in order to allow the board better to fulfil its terms of reference.

I think it is worthwhile to glance rapidly at the present status of this board and at the present policy of the government which actually has been in existence for many years. From what we know, the terms of reference of this board are very important indeed.

The Historic Sites and Monuments Board advises—and that is its main function—the minister responsible for the elaboration and implementation of a national development program with regard to historic sites on any subject of a historic nature.

It was said earlier, if I am not mistaken, that today the Board does not have enough architects, and engineers among its members.

I feel that at times several architects or engineers would be useful to the Board but since its responsibility is to advise the minister on national programs dealing with matters of a historic character and since it is made up of distinguished historians and of at least one archivist, those specialists can make appropriate and useful recommendations to the minister and then the architects, the engineers and the town planners can start implementing the program.

[Mr. LeBlanc (Rimouski).]

If we refer to our legislation, we can see that the National Parks Act gives the minister the responsibility I mentioned a few moments ago, that is the responsibility for the elaboration and implementation of a national development program with regard to historic sites or anything of a historic nature. The act gives that responsibility to the Minister of Indian Affairs and Northern Development. I cannot say or I cannot imagine why, at that time, the legislators did not give that responsibility to the Secretary of State, but I suppose that they then had serious reasons to give it to the Minister of Indian Affairs and Northern Development.

This responsibility was specified in 1953. When it was passed, the Historic Sites and Monuments Act provided the statutory base for the operation of the board and defined its role as an advisory one. This role is very well defined in section 5. In a booklet published by the National and Historic Parks Branch under the title "National Historic Sites Policy", we find this section 5 on page 2, which reads as follows:

> The Board may receive and consider recommendations respecting the marking or commemoration of historic places, the establishment of historic museums and the administration, preservation and maintenance of historic places and historic museums, and shall advise the minister in carrying out his powers under this act.

It is fitting to recall that the board itself was established in 1919 and from that date until the act was passed in 1953, operated under order in council authority. It is interesting to see the results which the board achieved.

Since its establishment, more than 600 sites have been designated as being of national historic significance and 31 historic sites and parks of prime national interest have been opened to the public.

Furthermore, steps were taken to preserve more than 30 buildings designated as being of a national historic significance.

The board usually meets twice a year. That means that other bodies carry out the projects. At every meeting, the board reviews proposals or recommendations made by individuals or representatives of historical societies, provincial or municipal governments, organizations interested in historic persons, sites or events, to appraise the merits of every proposal according to its national rather than regional or local significance.

• (5:40 p.m.)

Research reports on subjects to be studied are prepared under the auspices of the research division of the Historic Sites Service

of Canada. The recommendations of the Board are then submitted to the ministers for their approval, in accordance with our legislation.

The Board is composed of fourteen members, twelve of whom represent the ten provinces. There are two representatives from Quebec, two from Ontario, and one for each of the eight other provinces. There is also the federal archivist and an official of the Department of Indian Affairs and Northern Development. The provincial representatives are appointed by ministerial decree and chosen on the basis of their ability as historians and archivists. Because the Board acts as an autonomous jury, it must take care to give the best possible advice. As the responsibilities of the Board have increased in the last few years, it has decided to establish special committees to increase the results of its research. Those committees dealt particularly with criteria for the selection of special subjects. It has established for example a committee which would particularly deal with fur-trading and primitive sites of Indian tribes.

With the passing years, the Board has felt necessary to determine a certain policy to help it to play its role. In March 1968, it tabled in the house a report on the policy of the historic national sites giving an outline of the criteria regulating the selection of those sites. It was, as it were, the synthesis of the policy adopted by the members of the Commission over the years, and it may be useful to mention again its achievements.

I think that I should stress the complexity of the work and of the present mandate not only of the Commission, which is not the only one to act in this field since it has but an advisory role, but also the related services which carry out these projects after planning them.

These are the criterions of the Commission and the various committees it sets up occasionally, and I quote:

It is a policy that national history sites shall be located within the geographical boundaries of Canada.

Secondly,

(i) The site or structure shall be closely associated or identified with events that have shaped Canadian history in a prominent way, or illustrate effectively the broad cultural, social, political, economic or military patterns of Canadian history;

or

(ii) The site or structure shall have been prominently associated with the life of a great Canadian personage;

or

(iii) The site or structure shall have been prominently associated with an important movement in Canadian history;

or

(iv) The site or structure shall shed light on or illustrate effectively the culture of a prehistoric people, or shall be associated with important archaeological discoveries which have affected ideas and concepts to a major degree;

or

(v) The structure shall embody the distinguishing characteristics of an architectural type exceptionally valuable for the study of a style or method of construction or its period or be a notable example of the work of an early master builder, designer or architect.

If the site or structure has religious importance, in order to be eligible it shall also be significant in other fields of Canadian history and shall be no longer in active use by a religious order or congregation.

The potential for illustrating Canadian history shall be high—that is the site or structure shall be such that it will be possible for the visitor to gain an understanding of the history with which it is associated.

The site shall possess integrity; that is, it shall be known to be what it is represented to be, and shall include the original site. A further important consideration would be the extent of original materials and workmanship remaining.

I am trying to prove that considering the carrying out of our projects, up to now, as well as the criteria which must be applied with regard to the terms of reference of the Board and to the service which must be provided, and in the light of the minister's responsibility—which was conferred upon him under the act—as well as of the co-operation which must exist among various organizations, not only the federal government, but also provincial and municipal authorities, before making drastic changes, the resulting costs should be borne in mind, at a time when the government is trying to balance its budget. When considering the co-operation among the experts and various agencies of the government, we bear in mind the costly duplication which would impede the progress and success of our projects.

Some hon. Members: Hear, hear.

[*English*]

Mr. Barry Mather (Surrey): Mr. Speaker, in the rather forlorn hope that this resolution will not be talked out I intend to speak for only a few minutes. The resolution seems to contain two main proposals: first, that the Historic Sites and Monuments Board be transferred from the department of Indian affairs to the Secretary of State and, second, that its responsibilities be expanded from merely looking after monuments to looking

after larger items of historical interest such as towns, villages, landmarks and so on. I believe that both proposals are in line with our cultural development as a nation.

Twenty or 30 years ago the department of Indian affairs was looked on much as we look upon an attic. If we had something to preserve we put it in the attic under the care of the department of Indian affairs. Once in a while we took it out and looked at it. Such was the case with our national museum a few years ago.

I believe that the Historic Sites and Monuments Board ought to be transferred to the Secretary of State who looks after cultural affairs. With regard to the other proposal that we enlarge our concern in this matter to preserving our historic towns, villages and landmarks, this also is in line with the cultural development of Canada and is to be commended.

• (5:50 p.m.)

I had the honour to be a member of the centennial committee in British Columbia and I can say that some of the provinces are ahead of the federal government in preserving little towns as living monuments. It is not enough to set up monuments to the dead. We have to recreate the life of earlier communities such as Barkerville, once the largest community north of San Francisco, which was restored by the government of British Columbia so successfully that it attracts thousands of visitors from the United States and elsewhere every year.

It has been well said that if we lose our memories, either as individuals or as a nation there is not really very much left. It is important that we keep our memories as persons, as families and as a country. In this age we are singularly able to do something about this in Canada because of advanced photographic and tape-recording techniques and the greater amount of leisure time which can be devoted to a review of what ought to be preserved. I shall confine myself to these remarks. I rose to support the motion, Mr. Speaker, and I hope it will come to a vote.

Mr. H. Gordon Barrett (Lincoln): Mr. Speaker, I should like to speak in favour of this motion. Aside from a general interest in the historical aspects of this country I have a direct interest since Lincoln riding which I represent contains the historic town of Niagara-on-the-Lake.

[Mr. Mather.]

I know that the provincial and federal governments have done a great deal to preserve historic places and monuments but there is a great deal still left to be done. If responsibility in this area were transferred to the department of the Secretary of State the situation in this regard would, I feel, be greatly improved.

I am sure all hon. members are aware of the part played by Laura Secord in the war of 1812-1814. The tragedy is that the home she visited has been lost as the result of neglect on somebody's part. I hope that in the future homes of this sort can be restored and maintained by enabling people to live in them as an alternative to leaving them unoccupied.

I have suggested that departmental responsibility for this work be assigned to the Secretary of State. This seems logical, especially if one considers that the riding I represent is situated in the most southerly part of Ontario where so many great events in Canadian history have occurred but responsibility for preserving and commemorating the memory of the past lies with the Department of Indian Affairs and Northern Development. To my mind, this is strange. If the change I am proposing can be made I feel it would be helpful in preserving and in some cases restoring all those things which belong to Canadians as a whole. The department of the Secretary of State has in the past been charged with maintaining and correlating records of everything we want to remember, and it is the logical place for the activities we are now considering.

These are a few short words only on a subject which is both interesting and vital. I hope that in some ways the objective in the mind of the mover of this motion can become an actuality. I attach great importance to this, believing that parts of our country with a special claim to fame should become, in a sense, the property of the people of Canada as a whole rather than just a section. The sponsor of the motion indicated that it was desired to maintain certain towns which at the moment are of regional interest. I feel that the idea could be broadened in its scope. Nevertheless I hope the motion succeeds in its objective, if not today then at some time in the future.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, allow me to bring forth the viewpoint of a representative of the province of Quebec.

That, in the opinion of this house, the government should consider the advisability of transferring the authority over the Historic Sites and Monuments Board to the Secretary of State—

—up to that point, I have no objection.

—and of expanding the responsibility of this Board from concern for buildings and monuments of unique historical interest to general assistance in the preservation of towns, villages and landmarks of artistic, cultural or historical interest.

I object to the last part, Mr. Speaker because all this already exists in Quebec; and if there is a field in which Quebecers are entitled to be jealous of their concern about historic and artistic matters, it is that very field which is their own business.

And to see what can happen when the federal government has too much to say in these matters, one has only to think of the unfortunate situation that exists now. In the city of Quebec, the population of which is 98 per cent French-Canadian, there is a park of the battle-fields which falls within the jurisdiction of that board, and there are monuments, such as the Wolfe monument. There is nothing very pleasant for Quebecers in saluting the author of the defeat they would have liked to forget.

Of course, I do not approve those who decided to remove the monument in 1963, nor do I approve those who removed commemorative plaques.

Mr. Speaker, those incidents struck me in a very special way since I was accused of having stolen the said commemorative plaques which commemorated the arrival of the first British sovereign to set foot in America.

Of course, although I was accused of having stolen them, I had neither the competence, nor perhaps the courage to do so; but I am not saying I would not have done it, had I had—

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

• (6:00 p.m.)

[*English*]

BUSINESS OF THE HOUSE

Mr. Macdonald (Rosedale): Mr. Speaker, perhaps I might be permitted to advise the house concerning the business for tomorrow. The first order of business will be the continuation of Item No. 24, third reading of Bill No. C-124 dealing with the C.N.R. financing. That would be followed by the resolution preceding amendment of the Customs Tariff, pursuant to the budget. The third order of business would be No. 7, second reading of Bill No. C-112, to amend the Farm Machinery Syndicates Credit Act.

I might also advise the house that I will not be in the chamber during the question period tomorrow, but my colleague the Minister of Agriculture (Mr. Olson) will respond at that time with regard to the order of business for the coming week.

Mr. Deputy Speaker: Order. It being six o'clock the house stands adjourned until tomorrow at 2.30.

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

HOUSE OF COMMONS

Thursday, November 14, 1968

The house met at 2.30 p.m.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that a communication has been received which is as follows:

Government House, Ottawa
14 November, 1968

Sir:

I have the honour to inform you that the Honourable Gérald Fauteux, puisne judge of the Supreme Court of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber today, the 14th November, at 5.45 p.m. for the purpose of giving royal assent to certain bills.

I have the honour to be,
sir,
Your obedient servant,
Esmond Butler
Secretary to the Govenor General

STATUTORY INSTRUMENTS

First report of special committee on statutory instruments—Mr. MacGuigan.

[*Note: For text of above report, see today's Votes and Proceedings.*]

LABOUR, MANPOWER AND IMMIGRATION

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. Chas. L. Caccia (Davenport) moved that the second report of the standing committee on labour, manpower and immigration, presented to the house on Tuesday, November 12, 1968, be concurred in.

Motion agreed to.

• (2:40 p.m.)

NATIONAL DEFENCE

NATO—REQUEST FOR STATEMENT OF GOVERNMENT POLICY

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister. In view of the growing embarrassment to our representatives at NATO and to members of parliament arising from the ambiguity of his government's position toward NATO and the resulting disrepute of this country, can the Prime Minister reconsider his position and give the house an assurance that the study of our external position will be completed by an early date, which he might indicate, to be followed promptly by a firm statement by the Prime Minister as to what our policy is?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, with regard to the so-called growing embarrassment mentioned by the hon. gentleman, I should like to reassure him that this is not the case. Our position is as I described it in the house a few days ago. Of course when the review is completed I will want to make a statement about the government's policy in that area, but until that time has come the government will continue to assume the present position.

Mr. Stanfield: Mr. Speaker, I have a supplementary question. In view of the obvious refusal of the Prime Minister to give any firm commitment with regard to the time of completion of this study, would the Prime Minister indicate whether the study is being conducted simply within the governmental spheres or whether personnel outside the government service is being consulted in connection with it?

Mr. Trudeau: Well, Mr. Speaker, let me answer once again the first part of the hon. gentleman's question in this way. It is not that I refuse to give assurance with regard to the date, but that such a date does not exist, and of course I am not in a position to say now when the study will be completed. We want it to be well and thoroughly done, and we realize that the sooner it is completed the better. I cannot give a date for reasons not under my control; we want this study to be as thorough as possible.

With regard to the second part of the question, I just want to say that the review is being done in a way which we find to be most compatible with a fresh and new look being given to this subject in the advice to the government.

Mr. Stanfield: Mr. Speaker, is it really too much to ask the Prime Minister on a question

as important as this one to give us an indication as to the scope of the review and the scope of the consultation in connection with the review?

Mr. Trudeau: Mr. Speaker, I have no hesitation in answering the hon. gentleman with regard to the scope of the review. It is very wide in scope; that is why it is taking some time. I believe I have indicated at another time in the house that it extends to our external policy both in Europe—

Mr. Stanfield: But, Mr. Speaker—

Mr. Trudeau: This is the scope of the review.

Mr. Stanfield: What about the scope of the consultation?

Mr. Trudeau: The scope of the consultation is as wide as is the subject. The Department of External Affairs is itself engaged in this review with the help of all people necessary to ensure the best possible results. Most of the study is being done within the department, but the government is also turning to other sources of advice.

Mr. Stanfield: I have a further supplementary question. Could the Prime Minister indicate whether the representatives of his government, the Canadian personnel at the NATO meeting, are giving any assurance to NATO countries with regard to the continuation of the stationing of the Canadian armed forces in Europe; and if any such assurance is being given, is the actual size of the forces to be maintained under NATO also indicated and for what if any length of time?

Mr. Trudeau: Mr. Speaker, the two ministers engaged in the Brussels talks now are telling our fellow members of NATO that we are engaged in this review; that at the present time we do not want to make any decisions which will prejudge the results. We are not envisaging now any drastic move forward or backward out of NATO until this review is completed. We are trying as much as possible to hold the line until the review is completed.

Mr. Stanfield: I have one final supplementary question, Mr. Speaker, on a question of such importance. Is it fair to assume from what the Prime Minister has said that the representatives of Canada at this council meeting will not in fact give any firm assurance with regard to the forces, as to quantity or as to time?

[Mr. Stanfield.]

Mr. Trudeau: Well, it depends what the hon. member intends by that type of assurance. We of course are not going to give any firm assurance in respect of increasing our commitments to NATO; neither are our representatives instructed to indicate we are going to pull out of NATO. I hope this answers the question.

Mr. Ed Schreyer (Selkirk): I have a supplementary question, Mr. Speaker. I should like to ask the Prime Minister if he made a determination as to the accuracy of reports that our ambassador to NATO has denounced Canada's NATO policy as being vacillating?

Mr. Trudeau: No, Mr. Speaker, I have not attempted to determine that. I take the position that in this particular government, policy is decided by the cabinet and not by the press.

Right Hon. J. G. Diefenbaker (Prince Albert): May I ask the Prime Minister, then, why he is getting this information outside of cabinet circles and outside the Department of External Affairs, and why he does not tell us who are these anonymities who give advice to the Canadian government about what it ought to do?

Mr. Trudeau: Mr. Speaker, the policy decisions of this government are based on advice not only from civil servants but from all the areas which are available to us. This government is not taking the position that it must necessarily be guided only by what is decided by the civil servants. We are ministers who are responsible to the Canadian people and we are seeking advice from all possible sources.

Mr. Diefenbaker: I do not intend to embarrass the Prime Minister by pressing the question, but who are these incognitos who are being consulted about what Canada should do in connection with a policy that Canadians as a whole support?

Mr. Trudeau: Mr. Speaker, it would not be realistic to expect me to give the names of all the people who have given me advice over the past year. They would probably include the right hon. member.

Mr. Diefenbaker: All I have to say is that if I were consulted I would advise carrying out Canada's responsibilities, which this government is not even doing.

Mr. Trudeau: It seems hypothetical to me, Mr. Speaker.

[*Later:*]

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister. Has the Canadian ambassador to NATO submitted his resignation and, if so, has it been accepted?

[*Translation*]

ADMINISTRATION OF JUSTICE

HAL BANKS—FURTHER ATTEMPT TO EXTRADITE FROM U.S.

On the orders of the day:

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I wish to direct a question to the Minister of Justice.

In view of the attitude of some American senators and the election of a new American president, can the minister tells us if his department has started procedures to get Hal Banks extradited, since the Americans seem more conciliatory and ready to send Hal Banks back to Canada to face the charges laid against him?

[*English*]

Hon. John N. Turner (Minister of Justice): Mr. Speaker, it is the opinion of the law officers of the crown that proceedings for the extradition of Mr. Banks are spent, and that any attempt to reopen the case before the United States courts would not succeed.

Mr. Eldon M. Woolliams (Calgary North): A supplementary question, Mr. Speaker. In view of what the Minister of Justice has said, would the minister discuss with the attorney general of the province of Ontario the steps to be taken to request the incoming administration in the United States and the new United States secretary of state to review the Hal Banks case, with a view to securing his extradition to this country? I am suggesting that the minister contact the proper authorities in Ontario—

Mr. Speaker: Order, please.

Mr. Woolliams: —and have them contact the United States officials regarding a review.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I have received no request from the province of Ontario to have the federal government attempt to reopen the case with the United States.

Mr. Woolliams: A further supplementary question. Is this government or this minister going to ask the attorney general of Ontario or the proper department in the United States to review this situation?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I have just stated the opinion of the law officers of the crown, for the Attorney General of Canada, that the case could not be successfully reopened. As a principle of law I suggest to the hon. member, who is learned in the law, that a mere change in executive in the United States is not sufficient reason to place a man in double jeopardy before the courts. There has been a trial, and it has been concluded.

Mr. Diefenbaker: He never was in jeopardy.

Mr. Woolliams: Would the Minister of Justice, in view of what his officers have said, request the legal officers in the United States and their department to see whether they would review the situation, in view of the fact that a change of administration is about to take place?

An hon. Member: That was a political decision in the United States.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I heard the remark that that was a political decision of the United States. The case for Mr. Banks' extradition has been before the United States courts and the proceedings have been exhausted. Speaking legally, Mr. Speaker, I see no useful purpose in attempting to have the United States courts reopen the case. It is the opinion of the law officers of the crown that this would not be successful.

Mind you, Mr. Speaker, any dealings with the United States would have to be through diplomatic channels. I am speaking of the law as it is interpreted to me, namely that the extradition proceedings having been taken unsuccessfully before the United States courts those extradition proceedings are spent, and that the case could not be successfully reopened before the courts.

Mr. Woolliams: A further supplementary question. Would the minister not admit that the courts prepared an order so the extradition would have gone forward, but that it was reviewed by Secretary of State Dean Rusk—

Mr. Speaker: Order, please.

Mr. Woolliams: I am asking, Mr. Speaker, that that be reviewed.

Mr. Speaker: The hon. member's additional supplementary is argumentative.

Inquiries of the Ministry

FINANCE

REPRESENTATIONS AS TO CANADIAN HOLDINGS OF U.S. FUNDS

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is to the Minister of Finance. Would the minister advise the house whether representations have been made by the government of Canada to the United States government to lift the ceiling of $2.6 billion in permitted holdings of United States exchange by the Canadian government?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, the matter has been discussed, and it is a question of continuing discussion. I should indicate to the house that the ceiling figure is a target, not an absolute limit, a target that has been exceeded from time to time in the past and may be exceeded in the future. However, the matter is under discussion at the official level.

Mr. Lambert (Edmonton West): A supplementary question, Mr. Speaker. Is the minister in a position to advise whether an early decision in this matter is expected, or is the Canadian government to continue to be restricted further for many months to come?

Mr. Benson: Mr. Speaker, I do not think the government is restricted by the present level of the ceiling. We are close to the ceiling now. We have exceeded it from time to time in the past, and that has neither caused any difficulties nor had any effect upon the monetary policies we follow in this country.

Hon. Robert L. Stanfield (Leader of the Opposition): A supplementary question, Mr. Speaker. Did I understand the minister to say that there is in fact no ceiling?

Mr. Benson: That is not what I said at all, as my hon. friend would know that if he had been listening. I said the ceiling was a target which we have exceeded from time to time. Of course we have also gone well below it in Canada, in some circumstances. There will not be any great difficulty if, as has happened in the past, we run over the ceiling. I do not foresee any difficulties with the United States in this regard. I have said, however, that the whole matter is under discussion.

Mr. Baldwin: You are always so optimistic.

[Mr. Speaker.]

INQUIRY AS TO FLOATING EXCHANGE RATE

On the orders of the day:

Mr. John Burton (Regina East): Mr. Speaker, my question is for the Minister of Finance. Is the government considering a revision of its monetary policy to provide for a floating exchange rate, as advocated recently by the chairman of the Royal Bank of Canada?

Hon. E. J. Benson (Minister of Finance): No, Mr. Speaker.

TRANSPORTATION

ATLANTIC PROVINCES—STUDY OF PROBLEMS BY STANDING COMMITTEE

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Minister of Transport. Will the minister make appropriate arrangements to authorize the standing committee on transport and communications to complete its visit to the maritime provinces for the hearings that were interrupted last year by the election?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I should be quite happy to give any assistance to the committee that it is within my jurisdiction to give.

Mr. Thomas M. Bell (Saint John-Lancaster): A supplementary question, Mr. Speaker. Will the minister please see that this matter is hurried, because the briefs that were prepared for that visit are quickly becoming obsolete.

Mr. Hellyer: I should like to help to expedite this matter, Mr. Speaker.

EXTERNAL AFFAIRS

BIAFRA—REPORTED STATEMENTS RESPECTING OBSERVER TEAM

On the orders of the day:

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I have a question for the Acting Secretary of State for External Affairs or his parliamentary secretary. Is the minister aware of recent statements made by Biafran officials respecting the international observer team? One statement was made by Dr. Eke, the Biafran commissioner for information; who called the observer team a bunch of crooks and said they were not welcome in Biafra. Another statement was made by Colonel Ojukwu, in which he said the observer team would be welcome in Biafra.

Could the Minister clear up the apparent contradiction?

Mr. Speaker: Order, please. I doubt whether the question in that form is acceptable. The hon. member is asking whether the minister is aware of certain statements, and I doubt whether a question in that form can be asked.

Mr. Allmand: Mr. Speaker, I wanted to ask if the minister had any direct information about the statements, and whether the government had any intention to widen the terms of reference for the observer team in Biafra.

[*Translation*]

Mr. Jean-Pierre Goyer (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the statement made by the information commissioner indicates clearly that the observer team is not welcome in rebel territory.

However, there was a report in this morning's papers to the effect that the rebel leader was inviting the observer team in his territory. We have no confirmation of those two statements but we hope that they will not prevent the continuation of our relief program for the Biafrans.

[*English*]

DOMINION-PROVINCIAL RELATIONS

INQUIRY AS TO ACTION RESPECTING OFFSHORE MINERAL RIGHTS

On the orders of the day:

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my question is for the Prime Minister. In answer to a question on October 23 the Prime Minister in effect said that the government intended to proceed to negotiations dealing with offshore mineral rights, and they expected soon to lay a proposition before the provinces. He also said the matter had been discussed in cabinet and that the cabinet were waiting for the appropriate time to proceed.

As three weeks have passed since that time I wonder whether the Prime Minister can make an announcement on this matter.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, we have not announced the policy nor have we yet approached the provinces. I share the hon. member's concern, and I am hopeful that it will be done in the immediate future. Time does fly.

Inquiries of the Ministry

VETERANS AFFAIRS

HALIFAX—REPORTED REDUCTION IN HOSPITAL SERVICES

On the orders of the day:

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, my question is for the Minister of Veterans Affairs. Has the minister received any representation regarding cutbacks in services to veterans at Camp Hill hospital at Halifax, Nova Scotia?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): No, Mr. Speaker.

Mr. Coates: A supplementary question, Mr. Speaker. Will the minister investigate to determine whether services have been cut back at Camp Hill hospital and inform the house of the situation in this regard?

Mr. Dubé: Mr. Speaker, services have not been cut back.

HEALTH AND WELFARE

PROPOSED LIMITATION ON GRANTS FROM HEALTH FUND

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in the absence of the Minister of National Health and Welfare may I direct an urgent question to the Prime Minister. In view of the serious situation that has been created regarding the expansion of medical schools—and I refer to the situation created by the announcement of the Minister of National Health and Welfare that there is to be an annual limitation on the amount of grants made out of the health resources fund—will the Prime Minister have the matter checked in the light of the Health Resources Fund Act to see whether the minister has the authority to impose this freeze?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I wonder whether the hon. member would mind asking this question on a day when the minister is supposed to be in the house.

[*Later:*]

Mr. P. B. Rynard (Simcoe North): I should like to direct a question to the Minister of Finance, knowing his close relationship with the universities. In view of the acute shortage of doctors and the startling statement that medical schools will be unable to admit more students unless medical research is expanded,

will the minister assure the house that everything possible will be done to prevent the impending freeze of capital funds?

Hon. E. J. Benson (Minister of Finance): The hon. gentleman is probably thinking about the health resources fund, for which the minister of health will answer when he is in the house. I should, however, draw the attention of the house to the great increase in the amount of funds provided for medical research since this government took office. It has been going up at the rate of 33⅓ per cent, compounded annually.

Mr. Rynard: I should like to tell the minister that it was his government which brought in medicare, resulting in this great need for doctors.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I ask a supplementary question, since this question relates partly to the subject about which I directed a question to the Prime Minister a few minutes ago. In view of the urgency of this matter will the Prime Minister or the Minister of Finance take it under advisement and give us an answer tomorrow, since the Minister of National Health and Welfare may not be here until Monday, as to whether there is authority under the act as it now reads for this freeze to be implemented?

Mr. Benson: I believe this question, which the hon. gentleman addresses to me so urgently at this time, was answered by the then minister of national health and welfare a year ago.

Mr. Knowles (Winnipeg North Centre): He answered it the other way.

Hon. Marcel Lambert (Edmonton West): My question is directed to the Minister of Finance. Will the minister tell us whether the continuing committee of federal-provincial fiscal advisers, on which the minister is represented, was sent a report last September by officials of the Department of National Health and Welfare stating that the total cost of medicare in its first year was to be projected at $953 million for both levels of government? If so, how does the minister reconcile such a projection with the budgetary estimates of $335 million for the federal government? After all, there is a gap of $118 million.

Mr. Speaker: I doubt whether this question is in order, as asked.

[Mr. Rynard.]

Mr. Lambert (Edmonton West): I am sorry; I did not hear your ruling, Mr. Speaker.

Mr. Speaker: It was a doubtful ruling. I said I had some doubt as to whether the question as asked was in order.

INDIAN AFFAIRS

REQUEST FOR DRAFT OF PROPOSED LEGISLATIVE CHANGES

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, the other day I asked the Minister of Indian Affairs and Northern Development whether he would make public for the enlightenment of native Indian people attending consultations and conferences the draft legislation relating to the Indian Act. The minister replied that no such draft document existed in the department. I should like to ask him now what happened to the draft amendments to the Indian Act which the former minister said did exist as of December 11, last year. Has this document been destroyed, or hidden away, or is it just waiting to be resurrected?

Hon. Robert Andras (Minister without Portfolio): Neither I nor the minister of Indian affairs is aware of the existence of this document, but I will bring the hon. member's comments to the attention of the minister on his return.

Mr. Howard: I wonder whether, in the style of the Minister of Finance, I could draw attention to the fact that the reference is to be found in *Hansard* of December 11, 1967 at page 5264.

[*Translation*]

TRADE

JAPAN—INQUIRY AS TO POSSIBLE STEEL EXPORTS

On the orders of the day:

Mr. Roland Godin (Portneuf): Mr. Speaker, I should have liked to put this question to the Minister of Industry, Trade and Commerce, but since he is not here, I shall direct it to the right hon. the Prime Minister.

In view of the fact that a trade agreement is on the point of being signed between Canada and Japan respecting hardware imports, could the Prime Minister advise the house whether the Canadian government has convinced the government of Japan to buy in return from Canada the steel necessary for the manufacturing of these products?

Mr. Speaker: I doubt that the question is in order and I believe that the hon. member should place it on the order paper.

[*English*]

WHEAT—POSSIBLE INCREASE IN EXPORTS TO JAPAN

On the orders of the day:

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): I had a question for the Minister of Industry, Trade and Commerce. In his absence I will direct it to the acting minister, or possibly to the Minister of Agriculture who might take it as notice. It relates to the recent startling announcement that Japan has developed a process capable of producing artificial meat from wheat, and is soon to commence producing 150 tons of synthetic meat per month. Can the minister say what action he or his department is taking to step up wheat sales to Japan in order to provide the raw material for this new product?

Mr. Speaker: Order. I think the question should be placed on the order paper.

TRANSPORT

REQUEST FOR STATEMENT ON FERRY SERVICE, SAINT JOHN, N.B.—DIGBY, N.S.

On the orders of the day:

Mr. J. P. Nowlan (Annapolis Valley): I should like to address this question to the Minister of Transport, whom I welcome back to this house from the hazards of housing.

Some hon. Members: Hear, hear.

Mr. Nowlan: I believe the last time the minister spoke was on the day of Hallowe'en. My question arises from an announcement he made that day having to do with the Digby-Saint John ferry. What is the timetable proposed for the ferry ship, or the terminal?

Hon. Paul Hellyer (Minister of Transport): I am pleased to be back. I had a most interesting trip to the Atlantic provinces this week.

An hon. Member: How was the party in Yellowknife?

Mr. Hellyer: I visited my friends down there—

Mr. Speaker: Order. I am wondering whether the minister wishes to return to motions.

An hon. Member: He wants to return to Yellowknife.

Mr. Hees: Can the minister tell us about the party in Yellowknife?

Mr. Hellyer: I would be very glad to do so. We certainly missed the hon. gentleman, who is noted for his enjoyment of parties.

With regard to the specific question which was asked, plans in connection with the Saint John-Digby Ferry are proceeding apace. There are some technical difficulties, as the hon. member is well aware because his sources are almost as good as mine. These difficulties, however, are not insurmountable by any means; they are just matters which have to be worked out among all the parties involved. A meeting will be held within days between government officials and representatives of the C.P.R. at which I hope additional progress can be made. I can assure the hon. member that no delay will be tolerated in getting ahead with this important ferry.

Mr. Nowlan: I hope the ferry floats better than the housing. Has the government yet signed an agreement with the Canadian Pacific Railway concerning terminal facilities for the ferry at Saint John and Digby?

Mr. Hellyer: The question asked by the hon. member is not too precise, Mr. Speaker.

Some hon. Members: Oh, oh.

Mr. Hellyer: It is difficult to know exactly what he is driving at. If he means to ask whether the C.P.R. has agreed to pay wharfage, the answer is, not yet but hopefully soon.

PROPOSED FERRY SERVICE, YARMOUTH-NEW ENGLAND

On the orders of the day:

Mr. Louis-Roland Comeau (South Western Nova): This is really a related question, Mr. Speaker. Is the federal government engaged in any co-operative negotiations with the provincial government of Nova Scotia, Lion Ferry or any United States interests with respect to establishing the proposed Yarmouth-New England ferry?

Mr. Speaker: I am not sure that this is a supplementary question, but the minister may wish to reply.

Mr. Nowlan: I have a supplementary question—

Mr. Speaker: Order. I have allowed the hon. member's question, and I think we might now go on to another.

Mr. Hellyer: We have indicated to the province our willingness to negotiate with them to see what assistance we could lend in this case.

Inquiries of the Ministry

Mr. D. W. Groos (Victoria): Could the Minister of Transport advise us how we in British Columbia can get as good a deal on ferries as they seem to do in Nova Scotia?

Mr. Bell: We have had a raw deal.

[*Translation*]

EXTERNAL AFFAIRS

VIET NAM—ADMISSION OF DELEGATES TO MONTREAL PEACE CONFERENCE

On the orders of the day:

Mr. Roch La Salle (Joliette): Mr. Speaker, this week I wanted to direct a question to the hon. Minister of Manpower and Immigration but I did put it to the right hon. Prime Minister who gave me sound advice by telling me to put it again to the hon. Minister of Manpower and Immigration when in the house.

In view of the statements made by the police chief in Montreal to the effect that the presence of rogues in that city would be due to a poor supervision on the part of your department, does it expect to exercise closer supervision in the future?

[*English*]

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, I have had no communication from the chief of police in Montreal with respect to any incidents or imminence of disorder.

[*Translation*]

Mr. La Salle: I should like to put a supplementary question. You have probably not been officially advised.

Mr. Speaker: Order. The hon. member must direct his question to the Chair.

Mr. La Salle: Are you aware of the fact that the police chief has made an official statement on this subject?

[*English*]

Mr. Speaker: Order, please.

INDUSTRY

CAPE BRETON—REPORT ON OPERATION OF COAL MINES

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the minister of regional and rural development. I apologize if that is not his exact title nowadays. Does he propose to table in the house the report that I believe he has received from the Cape Breton Development Corporation with regard to future planning in the operation of the coal mines in Cape Breton?

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, I think if the Prime Minister of Nova Scotia is agreeable to it we will jointly publish the report.

Mr. Stanfield: As a supplementary question, would the minister approach the government of Nova Scotia to see whether agreement could be reached about the tabling of this report?

Mr. Marchand (Langelier): Yes, Mr. Speaker. I will communicate with the Prime Minister of Nova Scotia, and I think he will agree.

[*Translation*]

AIR CANADA

WINNIPEG—REQUEST FOR STATEMENT RESPECTING OVERHAUL BASE

On the orders of the day:

Mr. Bernard Dumont (Frontenac): Mr. Speaker, I should like to put a question to the Prime Minister.

Can he tell us whether he will take into consideration the reports of experts concerning the closing down of the overhaul base in Winnipeg and its transfer to Montreal?

Mr. Speaker: The hon. member for Timmins.

Mr. Dumont: Mr. Speaker, would you allow the Prime Minister to answer me, since I believe that he is ready to do so?

[*English*]

[*Later:*]

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I wish to direct a question to the Minister of Transport. In view of the assurance given by the former prime minister, Right Hon. Lester Pearson, when he was in office that the Air Canada base at Winnipeg would not be removed, certainly not until after 1972 at the earliest, does the government intend to honour that firm commitment given by the former prime minister?

Mr. Speaker: Order, please. The hon. member is reiterating a question which has been asked on a number of occasions recently.

Mr. Lundrigan: Mr. Speaker, I think the Minister of Finance wanted to rise on a point of order on my last question, and I think he should be recognized.

Mr. Speaker: Order.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Jean R. Roy (Timmins): Mr. Speaker, I wish to direct a question to the Secretary of State or his assistant. Can the minister or his assistant inform us, or find out for us, if Radio Canada has decided to allow René Levesque to enjoy the privileges of an official party leader, as the French news broadcasts would seem to indicate?

Mr. Speaker: If this question is in order it should be placed on the order paper. The hon. member for Gander-Twillingate.

LABOUR CONDITIONS

REPORTED STATEMENTS AS TO EXTENT OF UNEMPLOYMENT

On the orders of the day:

Mr. John Lundrigan (Gander-Twillingate): Thank you for recognizing me, Mr. Speaker. I know I need the exercise of standing up. I was going to ask a question of the Minister of Transport, but perhaps I should let him have a little time to relax in the house again, so I will direct a question to the Minister of Manpower and Immigration. Does the minister concur in the statements which have been emanating from a number of his colleagues that unemployment in many parts of Canada has reached emergency proportions?

Mr. Speaker: Order. The question cannot be asked in those terms. The hon. member cannot ask if the minister is in agreement with statements made outside the house.

Mr. Lundrigan: Could I rephrase the question, Mr. Speaker, and ask the minister whether the unemployment situation in many parts of Canada has reached emergency proportions?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, I am sure that unemployment for the individuals concerned is always an emergency and a matter of serious concern.

Inquiries of the Ministry

Mr. Lundrigan: As a supplementary question I wish to ask the minister, is he in agreement with or could he comment on the fact that the Minister of Finance has indicated that the major reason for the emergency situation with respect to unemployment is related to the government's cancellation of many programs?

Hon. E. J. Benson (Minister of Finance): I said nothing of the sort.

Mr. Speaker: Order. The question is not in order.

AIRPORTS

TORONTO—PROTESTS AGAINST EXPANSION OF FACILITIES

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prince Albert): My question is directed to the Minister of Transport. It has to do with the situation in Malton and the intended extension of the airport area. Approximately 100,000 people who will be seriously affected have raised strong objection. Under the circumstances will the government give reconsideration to its intended decision, or to the decision already made in this connection, and decide on a second area for an airport, as was done in Montreal, so these people who settled in the areas surrounding Malton will not be virtually dispossessed as a result of the additional areas being brought into the airport area?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, last summer when I announced that the government intended to proceed with the expansion of an airport facility at Toronto and the construction of a new airport facility at Montreal I made it clear in both cases that we had to obtain the co-operation of the provincial and municipal governments concerned with zoning in order to provide some element of protection for the airport itself and also for people who might be directly affected as a result of these measures.

Negotiations have been continuing and we have had a number of meetings with the province of Ontario and with various municipalities. I think it would still be premature for me to indicate what the final decision will be. Naturally we must have co-operation with respect to zoning in order to proceed with the expansion at that location.

If the necessary degree of co-operation is forthcoming all the expert advice we have

been given, based on exhaustive studies comparing alternative sites with an expansion of the present site, which would indicate that it is the best place for an expansion, on the basis of all the yardsticks considered by the experts, which included relations with people as well—

Mr. Speaker: Order.

Mr. Hellyer: —I can only assure my right hon. friend—

Some hon. Members: Speech.

Mr. Speaker: Order, please.

Mr. Diefenbaker: Mr. Speaker, I would like to ask a supplementary question. In view of the tremendous upset to the people who have settled there, will not the minister give overriding consideration to the human element?

Mr. Hellyer: Well, of course always, Mr. Speaker, but there are many factors involved so far as providing service to the community is concerned. My right hon. friend will recall that it is not too many years since he and his party were criticizing the location of Malton airport as being too remote from Toronto.

Mr. Diefenbaker: That statement is not correct.

Mr. Speaker: The hon. member for Annapolis Valley.

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is a supplementary one relating to seaports, not airports, but it is still ports.

Mr. Speaker: Order, please. I look to port and recognize the hon. member for Cape Breton-The Sydneys.

MONTREAL—INQUIRY AS TO SNOW REMOVAL EQUIPMENT

On the orders of the day:

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I wish to direct a question to the Minister of Transport. As a result of the extreme hardship and difficulties suffered by thousands of people at Montreal airport during the last two or three days, and in view of the study that was carried out by the Minister of Manpower and Immigration and the whip of the Conservative party, would the minister cause an investigation to be carried out to ascertain if there is adequate snow removal equipment at this airport?

[Mr. Hellyer.]

Mr. Speaker: Order. The hon. member is in effect making a representation to the minister. I intended to say there is no urgency to the matter, but I realize there might be so perhaps I shall allow the question.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I rise on a question of privilege—

Mr. Speaker: Order, please. I wonder if the hon. member would not allow the question to be asked first.

Mr. Muir (Cape Breton-The Sydneys): Mr. Speaker, I wonder if the minister wishes to reply to the question. I pose it as the result of a 23-hour study by members of this house and senators, and because thousands of people were affected. Is there not enough snow removal equipment to maintain more than one runway clear at Montreal airport?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I should be glad to make inquiries anyway, and if hon. members and senators could give me the results of their investigation it might speed up my investigation.

Mr. Speaker: Order, please. I understand the hon. member is rising on a question of privilege.

Mr. Muir (Cape Breton-The Sydneys): I would be very glad to give my view of it.

Mr. Speaker: I suggest that the hon. member do this at some other time.

Mr. Muir (Cape Breton-The Sydneys): May I pose a supplementary question?

Mr. Speaker: Order, please. I must bring to the attention of hon. members that the period of time assigned for questions has already expired. I believe, however, we should allow the hon. member to set out his question of privilege.

Mr. Nowlan: On a point of order, Mr. Speaker, this is the first time the Minister of Transport—

Mr. Muir (Cape Breton-The Sydneys): I rise on a point of order, Mr. Speaker.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. Hon. members will have to consider the plight of the Chair which has to consider two points of order and

a question of privilege. I suggest that according to the rules, the question of privilege takes precedence.

Hon. George Hees (Prince Edward-Hastings): Thank you, Mr. Speaker. It is a great feeling to get vertical again. A few minutes ago I directed a question to the Minister of Transport and Your Honour ruled that the question had been asked previously and was therefore out of order. I have looked through the questions asked yesterday regarding Air Canada and the air base and there was no question asked, with respect, which relates to the question I asked. For that reason I would request your permission to re-ask the question.

Mr. Speaker: Perhaps the hon. member might ask it some other day, as the question period has expired.

Mr. Hees: Oh, Mr. Speaker—

Mr. Nowlan: On a point of order, Mr. Speaker.

Mr. Muir (Cape Breton-The Sydneys): Mr. Speaker, I rise on a point of order.

Mr. Speaker: Order, please. We have not yet resolved the question of privilege.

Mr. Hees: That would ordinarily be very satisfactory, Mr. Speaker, and I should be glad to bow to your ruling. The difficulty is that the Minister of Transport will not likely be in the house again for some time and I should like to ask my question today.

Mr. Speaker: I doubt very much whether the rules agreed to by hon. members and by which I must be guided in my decisions would allow me to permit the question at this time.

Mr. Nowlan: On a point of order.

Mr. Muir (Cape Breton-The Sydneys): On a point of order, Mr. Speaker.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. I wonder whether we might have the co-operation of hon. members. Apparently some hon. members wish to suggest that more questions should be asked. If it is unanimously agreed among hon. members that we pursue the question period—

Some hon. Members: No.

Mr. Speaker: The question period has already expired by at least a few minutes. There are two points of order, and I should be pleased to hear them.

Mr. Lundrigan: I rise on a question of privilege.

Mr. Speaker: I understand there is a second question of privilege, and I will hear it.

Mr. Lundrigan: Mr. Speaker, I think hon. members should recognize the fact that the Minister of Transport has been out of the house for quite some time and has been back only today. My question of privilege is that perhaps we should go a little easy on him, because he obviously is not with it after his long absence.

Mr. Speaker: Order, please.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, would the house give permission to the Minister of Agriculture, the acting house leader, to indicate the business for the ensuing week?

Mr. Olson: The Minister of Manpower and Immigration is the acting house leader.

Mr. Baldwin: I was misinformed again. May I redirect my question.

Mr. Muir (Cape Breton-The Sydneys): Mr. Speaker, I have a point of order.

Mr. Speaker: Order, please. Perhaps the hon. member for Cape Breton-The Sydneys might allow the minister to reply to the question asked by the hon. member for Peace River. I will hear the hon. member's point of order, but I should say that the question period has expired. I will also hear the hon. member's question of privilege.

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, later today we hope to deal with third reading of the C.N.R. financing bill, the customs tariff resolution and second reading of the Farm Machinery Syndicates Credit Act. Tomorrow we hope to go into committee of supply to deal with the estimates of legislation and those of the Minister of Transport. On Monday we hope to go into committee of supply again to deal with the estimates of the Auditor General and the Treasury Board. On Tuesday we hope to continue with the Customs Tariff resolution, and then deal with estimates for the balance of the week.

The house leader will be consulting with his opposite numbers as to the order of dealing with the estimates.

Mr. Nowlan: Mr. Speaker, I rise on a point of order. I tried to catch your eye earlier, and I would normally defer to your suggestion, but since this is the first time we have had the opportunity of seeing the Minister of Transport for some time I wanted to pose my question. It could wait until tomorrow, but according to my rotation I will not be in the house tomorrow.

Some hon. Members: Oh, oh.

Mr. Nowlan: As long as I have an assurance that the Minister of Transport will be in the house tomorrow I will feed my question to somebody else who will direct it to the minister then. Otherwise I should like to ask the indulgence of this house to permit me to ask the question today. It does not really matter whether I ask it today or tomorrow.

Mr. Hellyer: Mr. Speaker, health and weather permitting I will come tomorrow to oblige my hon. friend.

Mr. Muir (Cape Breton-The Sydneys): Mr. Speaker, I rise on a question of privilege which relates to a question I posed which is of urgent and national importance.

An hon. Member: Order, please.

Mr. Muir (Cape Breton-The Sydneys): The Speaker sits up there. The reason I bring forward this question of privilege is the fact that the minister attempted to rise to answer my question. I believe he was prepared to answer it but was not given the opportunity. The house went on to a question of privilege on the part of another member. I posed my question because I should like the minister to find out whether it is a policy of Air Canada to allow paraplegics to sit for periods of from 22 to 24 hours in airports. They cannot be moved to hotels or motels. That is the point I should like to have brought to the attention of Air Canada.

CANADIAN NATIONAL RAILWAYS

PROVISION FOR CAPITAL EXPENDITURES, ISSUE OF SECURITIES, ETC.

The house resumed, from Wednesday, November 13, consideration of the motion of Mr. McIlraith (for Mr. Benson) for the third reading of Bill No. C-124, 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, 1968 to the 30th day of June, 1969, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and by Air Canada.

[Mr. MacEachen.]

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, in taking part in the third reading stage of Bill No. C-124 I should like to support the views expressed by hon. members on both sides of the house concerning the need for the best type of service at the lowest possible cost by our national transportation system, the C.N.R. I particularly support the representations made by hon. members from Newfoundland and the city of Winnipeg.

It is my submission that railways, by their very nature, are public utilities and should operate first and foremost as public services. The public and national interests must take precedence over the narrow interests of a particular railway company. Let me say at the outset that I have always felt the C.N.R. is a great transportation system and is doing a better job than most railway systems throughout the world. In my opinion the C.N.R. is doing a better job of serving the public of Canada than the privately owned system.

I for one would be much happier if this bill provided for several hundred million dollars more to allow the minister to commence to purchase and nationalize the other major railway company in Canada. As one who spent 15 years as a railway employee, watching the disintegration and discontinuance of the services railways must give the public, I submit that the new federal government must move toward a national transportation policy that will provide for an integrated transportation system which is rational, efficient and serves the people of the nation at the lowest possible cost. The public need for railway transportation service takes priority over private needs. If, for example, the choice is between passenger service needed by the people of Newfoundland or dollars, surely the choice is easily made. The people of that area must take priority over dollars.

• (3:30 p.m.)

Some hon. Members: Hear, hear.

Mr. Benjamin: I note that the bill calls for an expenditure of some $68,900,000 for equipment. I submit it is very likely that a large portion of this amount will be for rolling

stock and particularly for box cars. I plead with the minister to use whatever influence he may have with Canadian National Railways so that if they do not have sufficient rolling stock in the form of box cars to meet the requirements of grain movement in normal years, and particularly in years of bad harvest conditions, the greater proportion of the money provided for equipment in this bill will go toward the purchase of new rolling stock in the form of box cars to be used to move a greater amount of grain.

In my opinion, in the past several weeks both railways have done an abysmally bad job of meeting an emergency such as we have not had since 1959, and prior to that in 1951-52. In my constituency a C.N.R. shipping point, Tate, Saskatchewan, did not receive a box car for three and a half months. I hope that some of the money being voted in this bill will be used to at least buy one box car to send to Tate, Saskatchewan.

I submit that the Minister of Transport (Mr. Hellyer) and his colleagues the Minister of Industry, Trade and Commerce (Mr. Pepin) and the Minister of Agriculture (Mr. Olson) need to sit down with the officials of both our national railway systems and insist that there is an emergency requiring an all-out allocation of freight cars to the movement of damp and tough grain. I estimate, and I am certain this estimate is low, that 100 million bushels of damp grain need to be moved within the next six weeks. This will require each of the two national railways system to allocate and spot 500 to 1,000 cars per day in order to provide for the immediate movement of damp grain. This product is of national importance and if it spoils $150 million in revenue will be lost to the agricultural industry.

I ask the Minister of Transport to take up with the railway officials the question of how many Canadian National Railways' box cars are on United States lines at the present time. I know that sometimes it is very profitable, in the interchange of railway equipment, to have a great many cars on U.S. lines. I also request the Minister of Transport find out what measures are being taken to have these cars returned immediately to Canadian National lines for use in the movement of grain.

I ask the same question in regard to the Canadian Pacific Railway. I know I should not mention this railway company under the bill we are considering, but surely the problem is of sufficient national urgency to require the attention of all the ministers concerned. A systematic plan must be devised in the next two or three days by the ministers concerned, both railroads, the Canadian Wheat Board and the country elevators in order to provide for the immediate, total movement of this grain to terminals for drying.

I plead with the minister to make every possible representation to Canadian National Railways and the other railway company in this respect. As a result of my investigations and telephone calls to shipping points in my constituency and others, it is my opinion that this whole matter is being treated much too casually by both railways. It may require more than just the attention of the minister to solve the problem. It may require the minister to tell both railways the number of box cars they shall immediately supply and keep in grain movement. If they are not prepared to co-operate I suggest they be given no choice but be compelled to supply these box cars.

I spent 15 years as a railway station agent and observed the miserable and incompetent manner in which railway rolling stock is supplied for grain movement. There is nothing new about this. The railway companies take the position, first, that they are out to make a profit and, second, to provide service to the public. Therefore if rolling stock can be used to move lumber at $600 per car from British Columbia to the United States, that is where the rolling stock goes and the wheat can damn well wait.

I submit that because of the crop year we are having the railways cannot be allowed to allocate their rolling stock according to their present practice. I plead with the Minister of Transport and the other ministers concerned in the movement of grain to meet with the railway companies, the wheat board and the elevator companies in order to launch immediately a systematic allocation with regard to the spotting of box cars and the movement of grain to terminals. The grain drying equipment is there ready to be used and it is not being fully utilized at the present time. In spite of the fact that the Minister of Agriculture tries to assure us that all is well, the fact is that all is not well.

I hope that the expenditure of money on equipment will mean an increased supply of rolling stock suitable for the movement of grain so that no longer in normal or abnormal harvest seasons will we have to put up with

an unfair, inequitable and inadequate supply of box cars.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my intervention will be very brief. I would like to support the requests made so ably and eloquently by hon. members from Newfoundland concerning the Bullet. I draw to the attention of the house and the Minister of Transport (Mr. Hellyer), who again is not here today, the fact that in the spring the Conservative candidates from Atlantic Canada met in St. John's, Newfoundland, and among the resolutions drawn up at that time was one to upgrade the Newfoundland railway service rather than reducing it so drastically. We mainlanders from Atlantic Canada had the opportunity to sense the mood of the people of Newfoundland as well as that of our colleagues.

This is a serious matter to the province of Newfoundland and I think the need of its people in this regard should be reconsidered by the government. I know the government has the convenient refuge of saying that the C.N.R. has proceeded in the regular way and the transportation commission has acted. But surely the voice of this parliament means something, and the voice of the government in this parliament should mean something too. A direction to the C.N.R. and the Canadian Transport Commission could reverse the decision that has been taken.

• (3:40 p.m.)

I appeal to the government to examine this whole matter again in the light of the requests that have been so ably made. I also want to say to the six Conservative members of parliament from Newfoundland that they have 19 allies from Atlantic Canada who are just as firmly committed to this request as they are.

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, on November 1 I dealt with the resolution presented to the house in connection with C.N.R. financing, and I should like to refer very briefly to one section of the resolution as some reference was made to it the other day by the hon. member for St. John's East (Mr. McGrath). When I spoke on the resolution for the New Democratic party I said that we have a responsibility to ensure that the Newfoundland passenger service, trains 101 and 102, is not eliminated. At that time we suggested that money must be allocated for necessary services and that this was one of the most important services that must be retained if we are to keep Canada united. I went on to say that this government will stand accused in the eyes of every man, woman and child in that province if it allows the cancellation of this rail service to go through. I referred at that time to the fact that we in this party agree wholeheartedly with hon. members from Newfoundland that the service must be retained.

I was somewhat disappointed when one hon. member expressed as late as yesterday his regret at the fact that the hon. member for Winnipeg North Centre (Mr. Knowles) and his colleagues had failed to rise and support him in the house. May I say, in order to clear the record, that this party does support the hon. member's request and did speak in favour of retaining the service as early as November 1.

There is one other point which I should like to bring to the attention of the house. It has to do with an article published recently in the Regina *Leader-Post* entitled "Despite Experience of U.S. Train Travel Not Dying Out". I should like to suggest respectfully to the management of the C.N.R. that they are doing a good job now as long as they do not eliminate any more passenger services and as long as they provide the service which must be provided for all of Canada. The article reads in part as follows:

> —in some parts of the world travel by train is better than ever.

It is true enough that in some parts of Canada, particularly those areas that are serviced by the C.N.R., travel by train is better than ever, but if trains 101 and 102 in Newfoundland are eliminated I suggest we will not be able to stand up and boast about our passenger service. This article also refers to the fact that trains are winning new popularity in South Africa and in Canada where the Canadian National Railways has introduced a bistro car with sing-along entertainers, yellow-vested waiters and a gay nineties décor. I suggest that if we are to retain our lead in the world today we must not eliminate any more passenger services. I should like to refer to the last part of this article which suggests the following:

> —the newly formed federal department of transportation has been taking steps to protect U.S. railroads, and new turbo trains and high speed city to city trains are being developed.
>
> With our highway traffic jams steadily worsening and flocks of stacked airliners circling above the airports, . . . American travellers will have to return to the rails.

I suggest that if we expect to keep Canada united the people of this country will have to return to the use of railways. I believe it will

become increasingly more impossible to use highways because they are becoming more and more congested, and as long as the air lines are subjected to the conditions to which they are being subjected at this time—we heard about this during the question period today—a return to the railways will become inevitable. I respectfully suggest that the management of Canadian National Railways give serious consideration to their transportation policy and ensure that their service does not deteriorate in any way, shape or form.

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, my contribution to the debate on third reading of Bill No. C-124, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system, will be brief because I feel that the subject matter has been quite thoroughly covered by previous speakers. However, I should like to say that I fully sympathize with the pleas and arguments put forward by my colleagues from the great province of Newfoundland with respect to the maintenance of the passenger rail service in Newfoundland.

May I say, since I come from western Canada, that several years ago we were faced with a rail line abandonment in our part of Canada which was particularly serious because it affected our agricultural industry. The same problem still exists there but fortunately for us a good mother nature provided us with several bumper crops and the railways found it necessary to maintain their rolling stock and to increase their box car capacity. So the railway service is being maintained for the time being.

Of course this was the policy of the previous government, ably supported by the minister concerned who put a moratorium on rail line abandonments at that time. I might say I had the honour of being a member of the transport committee for several years and flowing through the recommendations and the study that was made by the MacPherson royal commission was a thread of discontent with regard to the railway cost accounting formula on the part of all the witnesses who appeared before the standing committee on transportation.

It seems to me that whenever an application is made by either of the railroads for the abandonment of a service it provides us with a set of figures to which in many cases we have to object because they are not based on a sound costing formula. Only two or three weeks ago I put a question in the house to the Minister of Transport (Mr. Hellyer)—and I am sorry he is not here today—asking if he would intervene in the deliberations going on in Winnipeg at that time with respect to this very important matter because before we can make any decision as a matter of policy so far as rail line abandonment is concerned we have to have a costing formula that is satisfactory to all those concerned with the applications. Therefore I wish to make one last plea to the minister—and I hope he reads my remarks in *Hansard*—to see to it that the railway companies come up with a cost accounting formula that is satisfactory to the Canadian people.

One of the things that interested me most of all during the deliberations of the transport committee was the testimony given by witnesses from the interstate Commerce Commission of the United States concerning similar problems in that country. They insist that the participating parties lay the books on the table so that all the economic factors can be fairly reviewed before a decision is made. I suggest very strongly to the minister that he insist that this type of cost accounting formula be established here in Canada.

Mr. E. B. Osler (Winnipeg South Centre): Mr. Speaker, I should like to join my parliamentary colleagues from Winnipeg who have taken part in the debate on third reading of Bill No. C-124, particularly with regard to the Air Canada base in Winnipeg and its future. Apart from anything my colleagues said yesterday, a great many silly things have recently been written in newspapers and broadcast on the air indicating that a huge inter-city fight of some kind is developing.

I should like to pose the following question. For 300 years Montreal has prospered and grown as the funnel and hub through which things have moved into the hinterland and from there to other places. Montreal knows what it means to have a prosperous hinterland. Without it it would die. There would be no reason for Montreal to exist if it did not have trade and commerce coming and going. It seems to me then that the people of Winnipeg are not asking for anything unreasonable when they ask the government to agree with them that it would be best for the country as a whole and something upon which Montreal and Winnipeg could equally agree that the prairie provinces must prosper.

• (3:50 p.m.)

I feel that the regional development concept the government is bringing forward, as

well as other manifestations of the just society, have to have something on which to build. It would be senseless, in my opinion, to allow an operation to close that employs 700 or 800 people and which, for all we know, may be the corner-stone for future development and the take-off point for Manitoba in a new and more prosperous direction. This could not fail but help Montreal to prosper because Montreal always prospers as a result of what occurs in the hinterland. Therefore, with respect, I think we should not pay any attention to the argument that Winnipeg is trying to take something away from Montreal because, of course, it is not. Winnipeg is just trying to share in the abundance which nobody ten years ago dreamed would occur as a result of the development of Air Canada. Air Canada has grown so extensively and its requirements have grown so much now that they cannot even be fulfilled at Dorval. At the moment we are asking to be allowed to retain a portion of the total over-all work Air Canada does and can give to a community in order that our community will at least remain where it is until such time as the just society and the regional development viewpoint can help us move forward again.

I suggest that when the regional air lines have been given permission to move into the jet age, and with the tremendous expansion the two trunk air lines are now experiencing, it is just ridiculous to feel that this work cannot be shared. I said once before that the people of Winnipeg are not small enough to try to oppose a great corporation like Canadian National Railways or Air Canada to the point of trying to cut off their money. When this bill is passed I hope the government will have the good sense to take these things into consideration as well as other things that have been said by other members so that this crown corporation, without being subject to interference in any way in its day to day operations—I would oppose that—could be used to a limited extent as a vehicle to help regional development and to help one region of Canada hold its own and prosper.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, on third reading of Bill No. C-124, the preamble of which reads in part as follows:

An Act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System—

—I should like a few brief remarks on some specific points.

[Mr. Osler.]

First of all, I notice a serious anomaly in clause 15 of the bill. I wish to discuss it at this stage of the debate in the hope of convincing the Minister of Finance to revise his position because, to my mind, this clause can absolutely not be accepted.

Clause 15 stipulates that private enterprise, more specifically a chartered accountants firm of Toronto and Montreal, three individuals more specifically, will be allowed to audit the books of this crown corporation known as the Canadian National Railways.

Now, in the report of the Auditor General of Canada for the fiscal year ended March 31, 1967, specifically on page 140, paragraph 219, one reads, and I quote:

Since the Auditor General has not been appointed the auditor or the joint auditor of the following crown corporations and public instrumentalities, their accounts were not examined by him during the year:

A list follows of seven crown corporations whose accounts are not audited by the Auditor General of Canada.

One can read also, in the same report, which becomes interesting:

In its eleventh report 1966-67, the public accounts committee again repeated its recommendation—

This was not the first time it was recommended—

—that the Auditor General be appointed the auditor or the joint auditor of these corporations or instrumentalities—

—of the crown.

In Appendix 1 of the same report of the Auditor General, the recommendations of the standing committee on public accounts are also dealt with—I do not wish to bore the members, but the quotation is very brief and will throw light on what I consider an extremely important point—and I quote paragraph 27:

The committee noted that although this officer of parliament is the auditor of the majority of the crown corporations, it has not been the practice of successive governments to appoint the Auditor General the auditor of seven of the crown corporations and other public instrumentalities and that therefore their accounts have not been examined and reported upon by him to the house. The committee expressed its belief that it would be in the best interests of parliament in its control of public funds were the Auditor General empowered to audit the accounts of all of the crown corporations, agencies and public instrumentalities owned or controlled by the crown, wherever they may be, and to report to the house.

The Committee therefore recommended:

(a) that the Auditor General, be appointed either the sole auditor or the joint auditor pursuant to subsection (2) of section 77 of the Financial Administration Act of each crown corporation, agency and other public instrumentality—

This should also apply to the accounts of the Canadian National Railways.

The government does not comply with this recommendation since Clause 15 of Bill No. C-124 asks us to approve the appointment of outside auditors.

Mr. Speaker, the committee on public accounts reiterated that recommendation in its third annual report, that for 1966-67. It reiterated vigorously the recommendation made by the Auditor General of Canada in 1967, whereby he should act as auditor or joint auditor for all crown corporations, for all public organizations owned or controlled by the crown and report on his audit to the house.

This illustrates a basic principle of our democracy which says that every crown corporation must be accountable to parliament.

Mr. Speaker, it is obvious that the Auditor General of Canada, whose responsibility it is to check expenditures and to see to it that public funds are used wisely, strongly recommends not to entrust private enterprise with the auditing of the books of public agencies or crown corporations, which are owners or trustees, since that violates the rights of parliament to receive an appropriate report. In fact, common sense and logic require that all crown corporations be treated the same way by the government and have the same obligations towards parliament.

That is why the Auditor General of Canada, through his functions and the laws to which he is subjected, is the official representative of parliament to check the books and see if the public funds have been spent wisely, and must report to the house.

In clause 15 of bill No. C-124 the government is assuming a right openly and against all logic. In fact, it wants to appoint as auditors of Crown corporations' accounts some private companies on very friendly terms with members of this government who do not miss a chance to reward their supporters, their members and their creditors. That explains, Mr. Speaker, why this man Touche mentioned in clause 15—of the three cases I will deal only with this one—received from the federal government $100,000 in 1964 and $125,000 in 1965. I find that unacceptable, Mr. Speaker. I feel that it is a shameful waste of the public funds that we must administer fairly. If, on the one hand, the Auditor General strongly insists on auditing the accounts himself, and in fact checks them, and if, on the other hand, the government disregards that and continues to hand over the job to private companies on friendly terms with the party at fees of $100,000 to $125,000 a year, I feel that is a scandal.

How much did Mr. Touche receive since 1964? How much did Mr. Ross get since 1964? How much did Mr. Bailey and Mr. Smart receive since 1964? Yet, during that time, the Auditor General could have done the same job for ten times less. This is very simple to understand, and it can be proved.

So, Mr. Speaker, needless to try and understand this situation. I wanted to inform the house on that point to try and bring the Minister of Finance to reconsider his position concerning clause 15 because, in my opinion, it is not at all acceptable. In fact, it is contrary to the recommendations made by the Auditor General of Canada in many reports and contained also in the report of the public accounts committee.

• (4:00 p.m.)

What would have been the cost, Mr. Speaker, if the same job had been carried out by the Auditor General, who is duly authorized to do it? Why does the government, through the Minister of Finance, disregard the recommendation of the public accounts committee? That is one of the questions that we ask ourselves at this stage of the debate.

The second point I wish to raise, Mr. Speaker, deals with the Air Canada maintenance base in Winnipeg, about which I put question No. 724, made up of nine parts, on the order paper. Its purpose is to throw light on the problem of the possible or probable transfer of the base from Winnipeg to Montreal.

There again, Mr. Speaker, there are serious anomalies. In fact, instead of being sound, the present administration is irresponsible and does not take the economics into account.

In 1957, the Wallace Clark Company, at the request of the government, published a survey report which come to the conclusion that it was not efficient or economical to maintain in Winnipeg the Air Canada base. After the Wallace Clark report came that of the Thompson Commission which made the

same recommendations and drew the same conclusion. The government remains unmoved. The Dixon Spears Associates was then invited to form a study commission. After a thorough examination of the problem, after weighing the pros and cons this commission came to the following conclusion: it is neither reasonable nor efficient to maintain the Air Canada base in Winnipeg and therefore recommend its transfer to Montreal.

In 1963, the President of Air Canada sent a letter to the employees at the Winnipeg base informing them of the transfer of the base to Montreal. Suddenly, the light goes out. The light thrown by the three study commissions in fact clarified nothing since the situation is still the same and the base has not yet been transferred.

Earlier, an hon. member said that this question should not turn into a strife between two cities. I fully agree but I do not think that it is a strife between two cities but rather a matter of efficiency and economics. Therefore, I ask myself a lot of questions, and I should like the minister to take them into consideration and to answer them as quickly as possible.

Has it been decided to move the overhaul facilities of Air Canada from Winnipeg to Montreal? If so, when will it be done? What were the factors involved in the delays concerning the implementation of the decision?

In February 1963, the President of Air Canada wrote a letter. Could we have a copy of that letter? What were the recommendations contained in the report prepared by Dixon Spears Associates and why have the recommendations concerning the transfer of the overhaul facilities not been implemented?

Mr. Speaker, the same question arises with regard to the Wallace Clark firm and the Thompson commission. The conclusions of these three inquiries on the transfer to Montreal of the overhaul facilities have not been implemented when they were in fact suggested by those three commissions.

Mr. Speaker, those are only two examples. The hon. member for Portneuf (Mr. Godin) pointed out yesterday some anomalies about the Canadian National Railway. As for me, I should like to point out some others.

The hon. minister would find it to his advantage to enlighten this house and clarify this absolutely unacceptable situation, namely why cannot the Auditor General examine the accounts of the Canadian National Railways. This parliament has a right to get complete reports, to be able to examine the books through its official delegate, the Auditor General of Canada, and the hon. Minister of Finance must reconsider his position as to section 15 of Bill No. C-124, so that private enterprise may not have the job of examining those books, since this is obviously a way of extending political patronage. The Auditor General, is paid for doing that and he can do it at a cost surely three times lower than at present.

Secondly, I should like the minister to make a decision and to tell us precisely what progress is being made about the transfer of the overhaul base from Winnipeg to Montreal.

[*English*]

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I rise to speak for a very few minutes on this bill because certain matters that came under my jurisdiction when I had the honour to be minister of transport some years ago are under discussion and I think are important.

First of all, I should like to speak about the discontinuing of the railway service in Newfoundland. When I took over the portfolio the railway in Newfoundland came under very exact and minute consideration with regard to its efficiency and usefulness. The result of this examination was that it was decided the railway was performing a useful role, that it was operating efficiently and that it should be maintained. Therefore, our government gave encouragement to the operation of that railway, and it continued to perform a very useful function on behalf of the people of that island province.

Recently, Mr. Speaker, I checked into the operations of the railway and discovered it was still performing a useful function in the province of Newfoundland. In my view and in light of my knowledge of the matter there is no justification in discontinuing this railway operation. I feel it should be continued in view of the fact that it is performing a very useful service to that most important province that joined confederation in 1949.

Second, I should like to speak very briefly about the proposed transfer of the Air Canada overhaul base from Winnipeg to Montreal. Once again this matter came under examination during the time I had responsibility for transport matters. It was decided that the base in Winnipeg was at that time performing a very useful function, that it was operating efficiently, and that there was no reason to consider transferring the operations in Winnipeg to any other location. Likewise, I have

checked into the operations of the base in Winnipeg in order to satisfy myself that it is still performing the useful function it was performing when I had responsibility for these matters, and I found it is so doing.

This base employs a very large number of people residing in the city of Winnipeg and vicinity, some 800 to 1,000 employees, who together with their families number some 2,500 people. To suggest that these people should simply pack up and move to Montreal is not a practical suggestion at all, particularly in view of the fact that this base is a first class facility, is operating well and can perform the functions asked of it efficiently and extremely well for Air Canada.

I thought it incumbent upon me as a former minister who has had some experience with these two matters to rise and urge the government not to take the actions that it appears determined to take in these two cases. I do not believe there is any necessity for making these important changes. The people of Newfoundland will benefit greatly by the continued use of the railway there, and the people of Winnipeg deserve to have this efficient air repair facility that has been in operation in the Winnipeg area for some years continued and maintained.

Therefore I hope that even at this late date the government will give serious consideration to re-examining the facts that have been put before them both by the Canadian National Railways and Air Canada, that it will reconsider the decisions that appear to have been made and will leave the railway in Newfoundland in operation and allow the air repair terminal at Winnipeg to continue its efficient operation in the future.

• (4:10 p.m.)

Mr. Ed Schreyer (Selkirk): Mr. Speaker, it is a pleasure to speak after hearing the words of reason and encouragement of the hon. member for Prince Edward-Hastings (Mr. Hees). I was also interested to listen to the comments of the hon. member for Lotbinière (Mr. Fortin). For the past few weeks he has been trying to obtain information to show that some of our crown corporations do not adequately reflect what may be called the French fact in this country. I do not oppose his efforts since on the surface his allegations seem justified. I merely bring to his attention that though crown corporations such as Air Canada and Canadian National Railways did not reflect a few years ago the fact that in this country there are several million people with a French language background, that situation has been changed. Most people in this country are now satisfied that Air Canada and the Canadian National reflect the French fact in their employment practices.

Crown corporations do not exist merely to provide a service that will make the maximum profit. Surely crown corporations can be used as instruments of policy by the government. In this regard my comments have some bearing on the location of the Air Canada jet overhaul base at Winnipeg. Hon. members no doubt are well aware that there have been studies and reports as to the comparative economies or benefits to be derived by moving the jet overhaul base from Winnipeg to the more central location of Montreal. I will not challenge the accuracy of cost accounting figures which have been quoted though I believe one could challenge the accuracy of figures that different consultative groups have put forward. Though there may be a dollar and cents saving to Air Canada by moving its jet overhaul facilities to Montreal, there are powerful and logical arguments for keeping these facilities at Winnipeg.

One of these arguments is regional need. Another is that as a matter of national policy we should avoid putting all our eggs in one basket. It is not in our national interest to cluster all our technological capability with respect to jet overhaul facilities at one geographic point. Even though such a clustering may bring dollar and cents savings, I do not think it is justified. The economic operation of Air Canada is important to Canada, of course, but such economy is only one factor which must be considered.

I believe all hon. members from the Winnipeg area have talked about this matter. The hon. member for Winnipeg South Centre (Mr. Richardson), who is a member of the Liberal party, the hon. members for Winnipeg North Centre (Mr. Knowles) and Winnipeg North (Mr. Orlikow), who are colleagues of mine, and the hon. member for St. Boniface (Mr. Guay), a member of the Liberal party, have all touched on this matter. Though my riding touches on only a small part of the Winnipeg area I have repeatedly said to the government that more is expected of it than it has done during the past 18 months with regard to the problem of the Air Canada overhaul base at Winnipeg. The former prime minister gave a firm commitment that the jet overhaul base would not be moved from Winnipeg before 1973. We expect that promise to be honoured, and there must be no deception in the process.

Canadian National Railways

On a number of occasions recently the Minister of Transport (Mr. Hellyer) has said that he cannot really prevent the continuing transfer from Winnipeg to Montreal of machinists and other skilled employees at the Winnipeg Air Canada base. The minister would have us believe that the transfer of personnel from Winnipeg to Montreal is a matter of negotiation in the collective bargaining between the union and the air line. Clearly that is absurd. The employees point out, and rightly so, that they have signed a collective agreement with their employer, the air line, and that it is not for the employees, the union or the bargaining agent unilaterally to try to prevent the transfers of any employees. Employees must abide by the joint decisions of the air line and the government.

Many employees do not want to be moved from Winnipeg to Montreal. Much though they may dislike what is happening, they cannot end such transfers. I point out that many of the present ministers were ministers in the former government. A commitment was given that there would be no transfers from Winnipeg until 1973. I hope that steps will be taken to prevent surreptitious transfers in the future of personnel from the Winnipeg base.

A few years ago Air Canada and the Canadian National embarked on a policy of hiring personnel who were fluent in English and French. Why was that done, Mr. Speaker? It was done because, as a matter of national policy, it was deemed to be in Canada's best interests. Clearly one must not look at the jet overhaul base of Air Canada merely in terms of dollars and cents. Much more is involved here than the balance sheet of Air Canada. The regional needs of the various regions of the country must be considered. We must also consider the kind of service the air line can provide to all regions of the country. Since its inception the air line has been closely connected with one region, the prairies, because of the availability of sophisticated facilities for aircraft servicing and overhaul. But now it has been decided to phase out this operation and leave this important regional centre as a place where only casual, relatively unimportant and, therefore, relatively unskilled engine maintenance will be performed.

• (4:20 p.m.)

In the meantime there is growing talk about the future of our urban centres in North America. There is concern about the pressures connected with life and living in the big urban conurbations of this continent such as Chicago, Montreal, Los Angeles and New York. There is the increasing problem of pollution, the pressure of rapidly rising land prices, the soaring cost of housing. Despite all this the government has apparently decided to sit idly by and allow the present trend to continue. In fact, the administration opposite is aiding and abetting this trend toward the concentration of our population in relatively few centres. At the same time, other regions such as Newfoundland and the prairies are underdeveloped and underpopulated; there is relatively slow growth in terms either of population or of per capita income.

I certainly hope that the government, if not the crown corporations of this country, does not regard these problems as being beyond our capacity to solve. It is not as though Winnipeg and the prairie region have been enjoying a rate of growth comparable with that experienced in the central part of this country. It therefore makes little sense to sit neutrally by and allow events to take place which will simply aggravate the present disproportion. Does it make sense for the government to engage in industrial incentive programs or area development programs when its own action can be so strongly criticized? According to the estimates passed by this parliament we shall be spending hundreds of millions of dollars in an attempt to encourage industry to locate in regions of this country where growth is relatively slow and incomes relatively low. We shall be doing all this in an artificial and desperate attempt to reduce disparities between regions. But at the same time we shall be allowing this crown corporation, an ideal instrument of national policy which could be used as a perfect instrument for reducing regional disparities, to follow a course of action which will produce a precisely opposite result. Wherein lies the logic, Mr. Speaker?

I do not suppose that at this point there is any real possibility of getting the ear of the government, any real hope of persuading it to reconsider this decision with regard to Air Canada and its intention to move the overhaul base to Montreal. Nevertheless, the plea must be made, as it has been made by Liberal members opposite from the west and by my own colleagues. We understand that the airport facilities at Montreal are now being used in almost every case to the utmost of their capacity, that the engine overhaul facilities at the Montreal airport plant of Air Canada are being used to the greatest possible extent. There is no indication that even if

the engine overhaul base were retained at Winnipeg it would mean a reduction in the amount of work carried out at Air Canada's Montreal hangars. As a matter of fact, projections indicate that the work there will continue to grow, so much so, indeed, that Air Canada must have plans to increase its facilities at the Montreal airport. In these circumstances, how in the world can any hon. member claim that we from Winnipeg are trying to take something away from Montreal?

As the hon. member for St. Boniface (Mr. Guay) put it yesterday, those who have been speaking about the situation faced by Winnipeg at no time had in mind taking something away from Montreal. They simply want to retain a regional operation, or industry, or facility, or opportunity for employment which Winnipeg has had for many years so as to avoid the disruption and dislocation that would be caused if this plant were moved to Montreal.

I challenge anyone to say that retention of the base in Winnipeg would change the picture entirely. If anyone could show that retaining the base in Winnipeg would somehow interfere with the growth of employment on engine overhaul in the Montreal area in a meaningful way, he would have a powerful argument. But even if the base were not transferred to Montreal there would still be a positive increase in the number of job openings in connection with engine overhaul at the Montreal Air Canada base. I repeat that to talk in these circumstances about taking away from Montreal something which will improve employment opportunities there is absolute nonsense. In proportionate terms there is no comparison.

However, I suppose the base will be transferred and that the government will set about preparing legislation as a means of inducing some corporation connected in some way with civil aviation to move into the Winnipeg airport area. There have been rumours already about two firms from Edmonton. There has been another rumour about Douglas Aircraft Corporation moving part of its Canadian operation to Winnipeg to fill the gap. It is rumoured that Douglas might set up an operation in Winnipeg to employ 500 or 600 people in the construction of aircraft wings and related parts. I dare say the government will be desperately seeking some such solution in order to fill the gap caused by its own failure to deal with the rather stubborn position taken by the executives of Air Canada with respect to moving the engine overhaul facility from Winnipeg to Montreal.

• (4:30 p.m.)

In his last book, "The Distemper Of Our Times", Peter Newman referred to the attitude of Liberal governments in previous years being one of concentration on an area encompassing Toronto, Montreal and Ottawa. He pointed out that for all practical purposes the attitude of past Liberal governments to the rest of the country, to the Atlantic provinces, to Newfoundland, and to the prairies was that these regions were the great outback. Perhaps that is putting it in extravagant words. Perhaps it is overstating a state of mind. Perhaps it is somewhat unfair. I do not intend to enlarge on those words but there is something about that statement that does ring true, that is indicative of the present Liberal government and of civil servants in high places in various government departments.

I remember that one of my professors in my college days told me that between the Liberal government and the mandarins of the civil service there was an almost incestuous relationship. At the time I thought those were rather harsh words, but a few years here have persuaded me that there is an element of truth in them, not just with respect to civil servants in the departments but with respect to high ranking officials in our crown corporations. It seems to me from their attitude that there is an overconcentration of solicitude and attention for the central area of the country to the detriment of the prairie and Atlantic regions.

Unfortunately I do not know enough of the specific details to be able to come to the assistance of my hon. friends from Newfoundland with respect to the performance of Canadian National Railways in seeking to abandon completely passenger service in that province. However, I agree in spirit with the fight they are putting up, and I wish we were in a position to make the government and high ranking officials of the various crown corporations, including the C.N.R., more concerned about the needs faced by regions of this country that are somewhat remote from the capital city.

I realize that later this session we will have an opportunity to question officials of the C.N.R. at hearings of a standing committee. But I wish to say it is a pity that we are faced now with a bill to provide a sum of almost $200 million to the C.N.R. in order to enable it to acquire road property and equipment of various kinds without having the opportunity to examine in detail some of the

procedures which the company uses in its dealings with the general public and in its dealings with contractors. I know that the Canadian Heavy Construction Association is on record as being very unhappy with C.N.R. procedures in calling for bids on construction contracts. Judging by the association's reference to some of these procedures it seems clear to me that some reforms and changes must be made. There must be more consistency between the contracting procedures followed by the Department of Public Works and the procedures followed by the C.N.R.

In a standing committee the other day when questioning Department of Public Works officials we discovered with respect to the construction of the National Arts Centre in Ottawa that when the prime contractor came across unforeseen construction conditions that were expensive to cope with, it was a simple matter to arrange a meeting between the contractor and the department where the unforeseen costs were discussed in a friendly way and as a result supplementary payments were made to the contractor. Everyone seemed satisfied with that, except perhaps the taxpayers.

The C.N.R. does not operate that way. If a contractor makes a bid which is accepted and subsequently unforeseen conditions arise resulting in great extra cost to the contractor, the attitude of the C.N.R. is tough. It has been tough over the years. More than one contractor has been forced to the wall. Of course arguments can be made pro and con whether this is the right kind of policy or position for a corporation to take. There can be arguments on both sides, but I would like to see some consistency between the contract tendering practices of all crown corporations and the practices of the Department of Public Works.

In view of your impatience, Mr. Speaker, which I sense, I merely take this opportunity to serve notice on the officials of the C.N.R. before they are examined by the appropriate committee that they must supply us with a great deal of information to justify their tendering practices which seem to be at such variance with those of the Department of Public Works. I also serve notice that they will have to give a lot of information to justify their conduct in the celebrated case of the construction of the Great Slave Lake railway where, because of their own sloppy specification provisions, many contractors found themselves out on a limb and were ultimately forced to the wall. It is appropriate to serve this kind of notice in view of the fact that we are being asked to pass Bill No. C-124 to vote close to $200 million to the C.N.R. In return we expect some answers.

[Mr. Schreyer.]

• (4:40 p.m.)

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, allow me to deal first with some aspects of the situation with regard to Air Canada. All the previous speakers mentioned the fact that the decision of the government would result in some dissatisfaction on both sides, in two large Canadian centres. If we have to choose between displeasing Montreal or Winnipeg, in both cases there would be some dissatisfaction.

Should the government decide to leave the said base in Winnipeg, it is easy to imagine the outcry from Montreal, from all intermediate groups in Quebec and in particular from the labour unions of the Montreal area. We know also that the same thing can happen in Winnipeg.

In those circumstances, the government should be guided solely by considerations of efficiency since there will always be some dissatisfied people. In any event, there will be many more of course if the Montreal area must suffer the consequences of such a decision.

That is not necessarily a valid argument but I say that the government when reaching a decision must be guided simply by efficiency.

Recently the Post Office Department talked of profit and efficiency to justify the increase in postal rates. In my opinion, the Department of Transport should also take into account the fact that if the whole thing was installed in Montreal, it would be an economic venture, and it is the only valid criterion.

If one tries to satisfy a certain area from a political point of view, there is obviously dissatisfaction in another. Objectively, without any doubt, if it is proven that tremendous financial advantages will result from the transfer to Montreal, it seems to me that we should comply with that decision.

Those few comments on Air Canada have merely allowed me to state my opinion and finally to caution the gouvernement against the present situation in Quebec. Indeed, it is known that all these things have an unimaginable effect. Now, it would be useless to create critical situations for the Montreal area and the whole province of Quebec.

I will now deal with the Canadian National. First I will deal with the material situation of the company as far as the line between Quebec City, Abitibi and Cochrane, in Ontario, is concerned. As 250 miles of that line are in the riding of Champlain and that it is the only means available to me to get out of there—since there is no road suitable for motor vehicles—I often travel by train. The situation on the train is sometimes so ridiculous, so absurd that we may wonder whether the administrators are responsible.

For instance, I am told—though I am not given official statistics—that the operation of this line is uneconomic. That is hard to understand, if one considers, as I noticed it myself, as well as the citizens of the area, that the train on the Quebec City-Abitibi-Cochrane is always packed.

In fact, the last two times I travelled on that train, I had to sit in a sleeping-car. Surely the deficit is not due to a lack of passengers.

Moreover, the seats are not occupied by the employees since there is only one conductor and two assistants for a train of eight to ten cars, and the conductor has to deal with all sorts of people from La Tuque to Parent, and in Abitibi. In fact, most of them are lumberjacks, and we know that they work very hard cutting wood in the forest. Normally, they could relax while travelling to visit their girl friends in their respective towns or villages. So it happens that the train is full of lumberjacks who, most of whom wait for hours in small localities such as Sanmaur, Parent and others, for the train comes at one or two o'clock in the morning. During that time, while waiting for the train from six at night to one in the morning, they hit the bottle and they are often fairly tight when they finally board the train, so that the conductor finds himself in a pretty nasty spot. The conductors have presented reports on the matter and have simply asked the C.N.R. to put constables on the train to help because they seem to have great difficulties in keeping order.

The situation is somewhat paradoxical, since the train is the only means of transportation for many of the people in the area, and I wonder why this situation is allowed to continue.

There is also another point which is most important. If there really is no place on board the trains, why not run more of them for passengers and why, especially, not make a distinction between the various passengers? For instance, I have seen with my own eyes the ridiculous situation where a mother accompanied by several children had to sit in the middle of a "gang", as we say, of lumberjacks and I can tell the house it is no fun to hear swearing around you when there are young children. Indeed, there is another situation which is little short of ridiculous.

• (4:50 p.m.)

When funds are requested to assist the Canadian National, I don't balk of course, since they are needed. But on the other hand I would like some consideration given to the possibility of improving adequately the services in need of improvement.

I am not complaining about discrimination, but I do have the impression that generally speaking the C.N. is neglecting Quebec.

In the Ottawa area for instance, where 45 per cent of the population is French speaking, is it acceptable that sometimes the conductors speak only English? I would not mind if we were in a purely English environment, but it is a well known fact that 45 per cent of the people in the Ottawa area are French-speaking. And these things are still going on.

When shall we understand, once and for all, that all these companies that must serve Canadians, should serve them wherever they are, whether in Quebec or in other areas where there are a great number of French-speaking people? As far as other provinces are concerned, it seems obvious to me that this situation should be corrected.

The Right Hon. Prime Minister (Mr. Trudeau) was saying recently in reply to a question from my colleague, the hon. member for Lotbinière (Mr. Fortin), that we never had it so good. I am tempted to say that it must have been zero formerly and two times zero is still zero. Even if the situation is twice as good or ten times as good as it was in the beginning, if it were zero, the product would still be zero. Therefore, we must ultimately have some real proof that things are going to be straightened out.

I am rather reluctant to bring up once again the matter of bilingualism. We know that in the opinion of many Quebecers, those who speak of such things today are mossbacks, old fuddy-duddies. People imagine that we are still fighting for bilingual cheques, money or stamps. Naturally, this is a huge joke in Quebec, but anyway, I wish to point out those strange situations.

Here is another example of bilingualism aboard C.N.R. trains or within crown corporations. I personnally found out that in the sleeping-cars of C.N.R. trains between Quebec and Abitibi—as unbelievable as it seems, since the train is a service to a population of which 99.9 per cent are French Canadians —there are very few English-speaking people. Believe it or not, among the employees of sleeping-cars, twice this summer, I met persons who spoke English only.

Now, if such a situation should arise in the Vancouver or Toronto area, it is easy to imagine the reaction of a Toronto or Vancouver citizen who could not make himself understood in English by the train officer. But this is what we have been suffering for years. This is, I think, what we had to bear unfortunately, because as I said, the federal members of Quebec have always been too long in office. They thought that this could give them some advantages. But we know what has been the result of this.

Today, for instance, in the course of the debate on Air Canada and on the base that must be transferred from Winnipeg to Montreal, the cabinet members of Quebec and of the Montreal area have practically not been heard to defend their own interests categorically and energetically. We are always dealing with this famous compromise and this is why we are always full of complexes.

We are proud of only one thing. We have developed a complex of superiority which makes other people laugh, in my opinion. Here is that complex of superiority: We understand them when they speak English but they cannot understand us. Is that a complex of superiority? Certainly not, Mr. Speaker, because whoever thinks like that is so weak that there comes a time when he must find some reason to appear strong.

Therefore, the material situation of the C.N.R. in Quebec should be given special consideration. The statistics I have date back a few years—unfortunately I do not have current ones—and I have no way of knowing if the situation has changed. In the largest province of confederation, the second with regard to population, it would only be normal to find the longest railway line, in miles. That would be normal since geographically, ours is the largest province. However, Quebec has only one eighth of Ontario's railroad mileage. We are not spoiled in that respect. This material situation must change if Quebecers are to be better served.

As far as the French fact is concerned, the situation is being corrected though there are still unilingual English-speaking employees on trains serving completely or almost completely French Canadian areas.

Mr. Speaker, I am not making these few remarks to complain about discrimination but to throw light on the problem, so that everyone can consider it objectively, as it is.

If we speak of economics, let us be logical all the time, and before concluding I will remind you of a few illogical situations. Changes are sometimes made in the railway service to reduce deficits, so they say. I agree with that up to a certain point. But when the Canadian National Railways decide for instance, to abolish the position of stationmaster in Saint-Casimir and that according to the figures for the last few years, the net amount of profits in that station has increased steadily, one begins to wonder what is going on. It is a profit-earning station, statistics prove it, but we are told that there are no profits. Such a state of affairs makes one wonder why should it always be the same people, the same places, the same areas, that get the worst of it on account of the decision to recuperate money, while elsewhere, it is clearly acknowledged that a deficit is acceptable for this or that reason.

Of course the purpose of a crown company is to serve the public and I admit deficits may be tolerated in some areas for very definite reasons. Such deficits cannot be avoided in the field of public service, but when an enterprise is profit-earning, hands off. That is what I had to say, Mr. Speaker.

• (5:00 p.m.)

Mr. Romuald Rodrigue (Beauce): Mr. Speaker, I will not speak at great length on subsidies now under discussion, but I would like to say a few words about Air Canada. I would like to recall some of the history of Air Canada and I will quote an excepı from the *Petit Journal,* dated February 14, 1965:

> From the time of its establishment in 1937 and until 1948, Air Canada has maintained all of its facilities in Winnipeg, except that its president has had his head office in Montreal from the beginning. "This was logical, said Mr. McGregor, as Air Canada was only operating on a local basis and Winnipeg was then the center of its air service. But the situation has changed through the expansion of our air lines in Eastern Canada, in the United States and overseas and the center of our activities has moved gradually towards the East."

And it goes on:

—Air Canada airplanes were DC-3's and the North Stars had just arrived.

Then

—there was no question of Super Constellations;—

—or Vanguards. As you know the use of Super Constellations has been discontinued by Air Canada.

—in 1952, the first turbo-jet Viscounts were put into operation. In 1956, Air Canada ordered DC-8's and Vanguards. Following the recommendations of the Wallace report in 1957 adopted the same year, construction began—

—of a new maintenance base in Montreal at a cost of $31 millions.

Evidently, there is no doubt and nobody will deny that the Winnipeg base is most modern and efficient. It is very useful and it is even necessary for the regional economy. But that is not the point.

The point is that the Winnipeg base is equipped exclusively for repairs to the Viscount airplanes, Dart motors and to DC-3's which are not being used any more.

As we know, the number of Viscounts flown by Air Canada is decreasing from year to year, and the Winnipeg base is still geared exclusively for the maintenance of those planes. We have now reached the point where, every year, Air Canada adds new planes to its fleet such as DC-9's and DC-8's. The repair shop in Montreal is very adequately equipped to give complete maintenance service to jet aircraft such as the DC-9's and DC-8's.

The reports of the various commissions created in the last ten years prove beyond a doubt that it is more efficient and economical to operate only one repair base for those jet airplanes. That is no reason to locate it in Montreal. It could be located anywhere else as well, but I believe the operating centre for Canada is Montreal, considering the developments of the last few years. We know Air Canada started servicing new lines last year, even though it had to face competition on certain lines in western Canada. Moreover, Air Canada was granted an important line between Montreal and Miami, and between Toronto and Miami which, I believe, within a few years, will contribute to increasing its profits.

We have nothing against the Winnipeg base, far from it. But I wonder precisely what we will do with that base when Air Canada has completely done away with its Viscounts. This will certainly happen within the next two or three years at the most. We will no longer need it, as DC-9's will then be used. The DC-9 is recognized as a medium-run plane which can land on average-sized runways. It is very fast and can transport far many more passengers than the Viscount we now use.

Winnipeg will not be the only city to lose from the change. Let us not forget that the repair shop at Dorval, where the Vanguards are now being repaired. Within the next few years, they will no longer be used either. As a matter of fact, even now buyers are sought for those planes, because turbo-planes will no longer be used on the type of flights Air Canada will be operating within a few years.

I feel that officials of the department concerned should consult again the reports of the commissions of inquiry and follow the advice of experts. To my mind, that is certainly the best solution in this case, especially taking into account the considerable investments Canada has made in Air Canada. In the years to come, we will be called upon again to invest even greater amounts, in view of the important developments that will take place in aeronautics within the next few years.

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have only a few words to say on Bill No. C-124 regarding the Canadian National Railways, as well as the services and the administration of Air Canada. I will speak especially of the deficits of those crown corporations, but all this is included in the expression "Canadian National Railways".

Mr. Speaker, I would probably not have spoken on that bill if, last April, I had not had the opportunity of going by C.N.R. to the west, namely from Ottawa to Vancouver. I went to Vancouver by Canadian Pacific and I came back by Canadian National to see the difference between those two companies.

Mr. Speaker, when one thinks of the fabulous amounts of money parliament must vote for the maintenance of the services of the Canadian National and one sees the difference between a service provided by a private company and a crown corporation, it is a little embarrassing to agree to pay such fantastic sums to maintain an organization or a crown company which has so little to give to the Canadian consumer.

For example, I have noticed that the service provided by the C.P.R. is decidedly better

than that of the C.N.R. For instance, meals on trains going from here to Vancouver were much better on the C.P.R. than on the C.N.R. train. The C.P.R. train had observation cars which allowed us not only to look out but to admire enthusiastically the beauty of the Canadian countryside, particularly going through the Rocky Mountains; there were no such cars on the C.N.R. train.

Before we reached Vancouver, on our last day on the train, a C.P.R. inspector who had come aboard in Calgary offered my wife and myself a delicious meal—a steak, if you please—at the expense of the C.P.R. On the C.N.R. train, on the other hand, we could not even get a hot dog between meals which were served in an incredibly sloppy manner.

• (5:10 p.m.)

Mr. Speaker, I think that if a C.N.R. director, for example the president, had to go to Vancouver, he would make the trip in a special car.

Members of Parliament are not entitled to such cars, nor are the leaders of the parties, except for the Leader of the official opposition (Mr. Stanfield) and the Prime Minister (Mr. Trudeau). We have to go by sleeping-car and make do with the same service as everyone else. That is perfectly natural, under the circumstances, and it allows us to see the kind of service provided for the public travelling on C.N.R. trains.

Mr. Speaker, it was really humiliating for me as a member of the federal parliament to see this difference and to know that the C.N.R. is yearly in the red and asks parliament to make appropriations to allow them to compete with private enterprise.

The authorities of the Canadian National cannot balance their budget with their revenues from Canadian funds or moneys. On the other hand, the Canadian Pacific has yearly excess profits and pays dividends to its shareholders. As for us, we pay dividends to the Canadian National for services inferior to those given to private industry. This applies to the passenger service.

As for trucking, it is the same thing. We give grants to the Canadian National to allow it to compete with private enterprise in a very dishonest way. Private enterprises and the trucking companies, for example, do not receive any grant from the State, while the National Canadian Railways will cost the government and Canadians this year almost $500 million. We shall have to pay $500 million for people who make fun of us.

[Mr. Caouette.]

Mr. Prosper Boulanger (Mercier): A pocket service.

Mr. Caouette: The member for Mercier (Mr. Boulanger) is right when he calls it a pocket service. It is very seldom we hear such a clever intervention from a liberal member but it is true.

Mr. Speaker, the Canadian National could provide at least a service equivalent to the one provided by the Canadian Pacific. I shall only mention a few details. Everybody has seen the roomettes of the Canadian Pacific. They are all neat and cosy, with small drapes hanging at the window. On the Canadian National one sees only flies on the windows. What a difference. And this is the company which is asking us to vote $500 million to maintain it in operation.

Moreover I have noticed that the Canadian Pacific has been accused on several occasions in this house of employing only unilingual staff. Do you know that on board the Canadian Pacific I was able to speak French practically during the whole trip from Ottawa to Vancouver, which was impossible for me on the Canadian National during my return trip to Ottawa? This is the kind of service provided by a government corporation.

Would the Canadian National tolerate in the province of Quebec that our employees speak French only to look after the people coming from the West or the Maritimes? In this case again French Canadians are required to speak English and I have no objection to that. But why is the same thing not required from English speaking people who have to serve the whole Canadian public?

Mr. Speaker, these are discriminations not only from the linguistic viewpoint but also with regard to the service which we get on the Canadian National trains. I have often noticed the kind of service which we get between Ottawa and Montreal for instance. We are treated somewhat as a dog in manger. We are treated like dirt and, then we are being asked through the Canadian National authorities, to vote fabulous sums of money to keep these people on the job. I believe that is worth about as much as what it costs to manage the Canadian-National. That does not mean the employees are not willing to work well. But, where the authorities are concerned, and they are responsible for planning the work, something is seriously lacking. It is difficult to be heard by those people, to get a reply to our letters.

On my return from Vancouver, I tried to write to the president of the Canadian National to advise him of certain failings. For instance, meals are called about an hour ahead of time and we are asked to answer a certain call. We go to the dining car, and there we have to wait another hour before finally being told that we should have gone on the first call instead of the third. It is just one big mix-up. In addition, rudeness is even allowed with the passengers. I have seen waiters being positively rude to passengers in the dining cars.

Mr. Speaker, it seems to me it might be a good thing for the officials of the Canadian National to travel incognito on the Canadian Pacific—and not in a special car—and to see what difference there is in the quality of the service between the Canadian Pacific and the Canadian National as well in the profits at the end of the year.

Of course, the excuse is always the same: the Canadian National serves non-profitable runs while the Canadian Pacific has the profitable ones.

Take the case of my area, for instance. From a commercial point of view, the freight trains that run between Abitibi, Northwestern Quebec to Montreal, Toronto or elsewhere are probably the most profitable runs of the whole Canadian National network. But go and see what kind of service the passenger trains get from Cochrane to Hervey-Junction, —going through Noranda and Senneterre— where the train is divided into two sections: one for Quebec, the other for Montreal.

Mr. Speaker, there again we see how the Canadian National or the authorities are wrong. We are given the old cars, which were used in the Montreal and Toronto areas perhaps 25 or 30 years ago. Those cars were taken to Northwestern Quebec and we were told: Look at the wonderful improvement. The seats are battered, even when they are individual seats. Service is pitiful, and through no fault of the people in Noranda; only that of the Canadian National authorities.

Our people in Abitibi, our people in Rouyn-Noranda, our people in Témiscamingue, are they not right in asking to be treated as well as those in Toronto or in Montreal?

Now, we have trains with bar-pullmans and anything you want, which can go 100 miles an hour between Montreal and Toronto. But we have difficulty getting a car to serve coffee on a trip from Senneterre to Quebec or Montreal. The coffee is not even good; it must be instant coffee.

Mr. Speaker, those lines are economical anyway. The transportation of wood from the Clova, Senneterre or Lebel-sur-Quevillon areas towards northern Ontario or lower Quebec is something which is economical for the Canadian National. The same is true for the Matagami zinc, the minerals which the Noranda Mines Company processes into brass ingots and ships to Montreal through the C.N.R.

On the other hand, as concerns the quality of service for passenger trains, the objection is that they are not used too much. One cannot blame people for not travelling on board of Canadian National trains because the quality of service is so poor that they only use them once.

• (5:20 p.m.)

That is what we have in the north of the province to serve a population which is a source of profits for the C.N.R. That is how those people are treated. They do not even have suitable trains, cars to go to western Canada and we are asked to vote $300 or $400 million to pay the deficits of the C.N.R.

As far as Air Canada is concerned, its service has improved considerably compared to what it was a few years ago. If only the C.N.R. did the same, its service would improve very quickly. In fact, Canada could improve in some respects, but it is understood that perfection can never be achieved and there will always be room for improvement. However, Air Canada has improved its services considerably in the last five or six years. For instance, meals are now served at times when one were served in the past. Our stewardesses are charming and most of them speak both official languages. On the flight I took to Toronto during the weekend, the cute little stewardesses spoke French very well. I noticed the same thing in other areas of Canada, in Vancouver as well as in Victoria. The same is true for the Maritime provinces and Quebec.

Air Canada services have greatly improved. A second flight was requested between Montreal and Rouyn. This company granted it as an experiment last April and it surely did not regret it, since this second flight has become a happy, profitable as well as interesting undertaking for the people in my area who can go to Montreal twice daily. It is a very useful service to our people.

Canadian National Railways

Mr. Speaker, those were comments I wanted to make especially in regard to the Canadian National for which we are paying through the nose while it complains about the decreasing number of passengers. This is due precisely to the quality of its service, because people are losing more and more interest in the transportation services offered by the Canadian National.

Therefore, I wish to call the atention of the Minister of Transport (Mr. Hellyer) and the directors of the Canadian National to this situation by way of comparison between the Canadian Pacific that is run by free enterprise and the Canadian National that is subsidized by the government with tax money. As soon as this company realizes that the improvement of its services is to its own advantage, the Canadian people will then be less reluctant to have their money expended to make good those existing deficits. Canadians object to voting fabulous sums of money to enable one company to continue operations which have not proved too successful.

Mr. Speaker, those deficits are due first of all to administrative inefficiency on the part of the Canadian National. If its administration is experiencing difficulties, the government should take measures to sell the company to the Canadian Pacific as private industry can make it a profitable business. The government does not know how to administer companies under its jurisdiction. Instead of presenting deficit budgets, it should propose balanced budgets in order to render the best possible services to the Canadian people as a whole.

Mr. Bernard Dumont (Frontenac): Mr. Speaker, in beginning my remarks on the provisions now under consideration, I should like to comment on a statement I made concerning the ship *Christina*.

A Conservative member told me that the ship was bought for $70,000 and that today, following improvements, it is worth $3 million. That is true. The fact remains, however, that I did not have the figures with me at the time. Nevertheless, I should like to point out that, in 1932, the owner of the *Christina* also bought six cargo ships for a song. He paid $20,000 for each one of those ships, which had cost $1.2 million to build.

During a depression, conditions are very different. We understand how a man could have made a million dollars out of a single purchase. That is precisely what I am criticizing the government for. It sold its ships at a ridiculous price instead of allowing the transaction to take place in Canada. Thus it allowed a few men to get rich at the expense of the nation. Millions of dollars were wasted during a depression, at a time when Canadians did not even eat three meals a day.

That is why we are asking questions today concerning the moneys to be provided. It makes us think, because we do not know exactly for what purposes these funds will be used. There was no lack of supplies in the thirties, and yet Canadians could not eat three meals a day. When war came in 1939, the government found a way to raise the money required to pay for the greatest carnage ever seen. Today, when we are asked to authorize Her Majesty to grant loans directly to Air Canada or to guarantee issues of Air Canada securities to the tune of 130 million, we can surmise that Air Canada has to cover a deficit in its operational reserves for the period ending on June 30, 1969.

The hon. member for Beauce, Mr. Rodrigue) referred a while ago to the transfer of the Air Canada overhaul base from Winnipeg to Montreal. Experts have said that the base should be transferred, or Canada would lose $10 million a year; if the Winnipeg base is not closed by 1973, $30 million will be wasted. If there was a wastage during the thirties when there was extreme poverty, there is a similar situation today. If we are asked today for moneys to be granted to Air Canada to allow it to balance its budget, we should take into account the technical reports recommending that the main jet aircraft maintenance services should be in Montreal.

Those recommendations were repeated afterwards by the Thompson Commission. We can even go as far back as 1957 and analyze the situation existing then when the Wallace Clark Co. of New York recommended the unification of all maintenance bases in Dorval. Finally, in 1962, Air Canada announced that the transfer of the Winnipeg base would take place progressively and be completed in 1966. From then on, politics came into play. To avoid any controversy, in 1963, Air Canada had to ask the Dixon Spear Co. to make a new survey and to find out what policy Air Canada should follow as to its maintenance, overhaul, and storing services, from 1964 to 1973. The said company stated that the maintenance base in Winnipeg should be closed as soon as possible, if Air Canada's operations were to be efficient and economical. Indeed, this report showed that Air Canada would lose more than $10 million if the Winnipeg

base remained open until 1966. We are now in 1968, and there are still people who do not want this base to be transferred to Montreal.

Personally, I am not against Winnipeg being able to provide jobs to its workers, for those people need employment. But what I object to and what I find ridiculous and what I merely call discrimination is that in Lauzon we have more than 1,000 workers to whom we had promised repair work on a ship, and that ship, mentioned again the other day, was merely a ghost ship.

• (5:30 p.m.)

An expenditure of $450,000 should be made, but they could not find the necessary funds to enable these Lauzon workers, and I have not heard—

The Acting Speaker (Mr. Béchard): Order, please.

Hon. Jean Marchand (Minister of Forestry and Rural Development): Is the hon. member able to prove there were 1,000 workers in the Lauzon shipyards?

Mr. Dumont: I have here a report from the president of the labour union that states, in effect, that over 2,000 workers are unemployed in Lauzon; it is not only 1,000, but 2,000 unemployed workers, 2,000 bread-winners.

The government accepts a deficit of $10 million in Winnipeg, but is unable to grant an amount of $450,000 to give work to these people. We have not seen the hon. member for Lévis (Mr. Guay) rise and intervene to ask for this just society that we hear so much about.

This is rather an unjust society, and with the complicity of the Liberal members who, as was said lately by Mr. Claude Ryan, follow blindly the Prime Minister every time he raises his little finger, the ship has disappeared and it has become a ghost ship. Such repairs would have cost practically nothing compared to the deficit in Winnipeg. This is proof, beyond the shadow of a doubt, that Quebec does not have an adequate representation claiming justice for our people. Mr. Laberge, who sent a press release recently in which he stated, with regard to the overhaul base in Winnipeg, that political patronage would, once more, override the interests of the Canadian people.

If we continue to waste $30 million in order to help workers in Winnipeg while not even one member for the Lévis area has the guts to get up and request at least an equal amount, then I say that the province of Quebec simply labours under injustice.

We will say, for a long time in history, that instead of a just society, we had an unjust government.

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker, I only have a few words to say, and my créditiste friends are to blame who inspire me each time they take the floor in this house.

I was slightly amused to hear the hon. member speak of the *Christina* which it seems was sold in 1932 for a ridiculously low price; I have only one thing to say about this; the price was ridiculously low, Mr. Speaker. Many things were bought for ridiculously low prices during the last depression. I shall mention one case, that through which one of the spiritual fathers of my friends the Créditistes, came by his wealth. I shall even name him. I mean Mr. Henri-Georges Grenier who gives a helping hand to my Créditistes friends. On occasion he even writes their speeches—or at least he did. He has quite a propensity for Créditisme.

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

I should like to enlighten the hon. member for Trois-Rivières (Mr. Mongrain) who has just said that a certain individual writes speeches for the members of the Ralliement Créditiste. I want the house to understand that this Mr. Grenier, has never written my speeches.

Mr. Mongrain: Mr. Speaker, naturally, I have great regard for the word of my friend, the hon. member for Abitibi (Mr. Laprise), but a Créditiste member told me what I have just said. I value the word of the hon. member for Abitibi—maybe there are things he does not know—but I also value that of one of his colleagues.

Therefore, I shall conclude by saying that Mr. Grenier—

The Acting Speaker (Mr. Béchard): Order. The hon. member for Champlain is rising on a point of order.

Mr. René Matte (Champlain): Mr. Speaker, the hon. member for Trois-Rivières (Mr. Mongrain) has suggested a member of the Créditiste party has told him what he has just repeated; being from the riding next to that of the hon. member for Trois-Rivières, I fear that some will think that it is the hon. member for Champlain—

Canadian National Railways

The Acting Speaker (Mr. Béchard): Order. I think that there is no point of order here and I would ask the hon. member for Trois-Rivières (Mr. Mongrain) to please limit himself to the motion for third reading of bill No. C-124 now before the house.

Mr. Mongrain: Thank you, Mr. Speaker. Nevertheless, the house has probably noticed, that I was answering the remarks of my friend, the hon. member for Frontenac (Mr. Dumont). I listened to him with pleasure and attention, and the proof of it is my reaction. He inspires me, you see. You allowed him to go on; you too seemed to find him interesting. So my remarks are by no means, insulting, and that is all I am going to say.

I wish to tell him one thing of which he is probably unaware. During that same period, the depression, the citizen whose name I mentioned and who was a pioneer of the Social Credit doctrine, had acquired for about $50,000 a sky-scraper of sorts. The price was ridiculous, but those were the depression years. He himself resold it for $190,000 immediately after the end of the depression, and today, you could not get it for $500,000.

I cannot understand all this fuss about the bill before the house. What has this *Christina* to do with it? It conjures up some nice love-story and brings us a bit of relief after some of the things that we hear in this house.

Mr. Laprise: May I put a question to the hon. member for Trois-Rivières?

Mr. Mongrain: Certainly.

Mr. Laprise: Would the hon. member for Trois-Rivières agree to repeat publicly, in the press, or on a rostrum, the accusation he has brought in this house, where he is covered by his parliamentary immunity.

Mr. Mongrain: Mr. Speaker, have I made an accusation? I feel rather that I have recalled a fact that is not necessarily a crime, far from it. I say that it was a good transaction, that the things were done after such a fashion at the time. Business was transacted like that in private, and it happened often also in the public life. The matter has no connection whatever with this bill. You are quite right to call me to order, Mr. Speaker; I was just trying to entertain the house a bit.

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

The Acting Speaker (Mr. Béchard): The hon. member for Témiscamingue (Mr. Caouette) rises on a question of privilege.

[Mr. Matte.]

Mr. Caouette: Mr. Speaker, the hon. member for Trois-Rivières (Mr. Mongrain) said a while ago that Mr. Grenier's transaction or transactions at Trois-Rivières could have been made at just about any time. He mentioned that Mr. Grenier had been a Créditiste for many years. I should therefore like to point out to the member that he is misinformed. As a matter of fact, Mr. Grenier has never been a Créditiste. He was promoting social capital and family capital in Trois-Rivières. The former mayor of Trois-Rivières must remember that.

Mr. Mongrain: Mr. Speaker, I see that the leader of the Ralliement Créditiste is not aware of—

The Acting Speaker (Mr. Béchard): Order. I believe that honourable members will agree we have somewhat departed from the standing orders of the house and digressed from the consideration of Bill No. C-124.

• (5:40 p.m.)

Mr. Mongrain: You will nevertheless admit, Mr. Speaker, that they were the ones who departed from standing orders and that I merely answered them.

Some hon. Members: Oh, oh.

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

Mr. Mongrain: To return to Air Canada—

Mr. Fortin: I rise on a question of privilege.

Mr. Mongrain: I could perhaps sit down and you would then allow them all to rise on questions of privilege. This would pass the time.

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

The Acting Speaker (Mr. Béchard): The honourable member for Lotbinière is rising on a question of privilege.

Mr. Fortin: I should like to point out to the Chair that it is not the Créditistes who have departed from standing orders but the honourable member for Trois-Rivières himself. Moreover, he agrees with what you said a while ago to call him to order. I think that he does not talk about the bill because he is scared, because he would have to criticize too much the operation of the Canadian National Railways. Let him talk about the C.N.R.

The Acting Speaker (Mr. Béchard): Order. There is no question of privilege. Order, please.

Mr. Mongrain: I am not reluctant to talk about it, but my friends will not give me the time to do so. Three, four or even five of them rise on a question of privilege. As there are eight or ten of them, some more will perhaps rise.

The member for Frontenac has set out another idea a moment ago, suggesting to oppose Bill C-124, because Air Canada is squandering $10 million in Winnipeg and that it will be $30 million in a few years. The hon. member seems to forget two things: first, this money is used to help the provincial economy; there is something else besides, which he might not know, but this problem has been of concern to this party for some years. It is about to be solved. If he is willing to wait for a few weeks all his worries will disappear.

I heard part of the speech made by the member for Témiscamingue. I found him interesting, as usual. I always listen to him with interest Mr. Speaker. I feel inspired by him too. He might be right about the service of the C.N.R. in his area. It is possible, I have not been to the Abitibi region, and to Rouyn-Noranda in particular, by train for a long time. I go by car usually and I suspect that my hon. friend does too. He is probably right. However, I have had the opportunity, say in the last five or six years, to make several trips aboard C.N.R. trains in Quebec and in other provinces.

It is rather strange but I did not see the things he did. I will admit that some things are not perfect in the C.N.R., for instance the way employees are treated in some stations, some services. I will also agree with the hon. member that the C.N.R., or the C.P.R. for that matter, has not always been human with the employees and in many cases has been radically inhuman. I will agree with the member any time on that. However, as far as what he said about the service is concerned, I must point out that there is a substantial difference between the service given in Abitibi and Témiscamingue and that on other lines; I noticed it myself and many people have told me the same thing.

Nowadays, contrary to what used to be 20 or 25 years ago, the Canadian National gives an excellent service; it is much better than on the trains of the Canadian Pacific. For example, on a train between Montreal and Ottawa, a perfectly bilingual and very polite conductor gives all sorts of explanations to passengers. I also travelled throughout Canada recently. I do not want to engage in a discussion with the member for Témiscamingue because he may have noticed something which I failed to see. I think that the Canadian National service is to a large extent better than that provided by the Canadian Pacific as the latter gives the impression of trying to discontinue its passenger service as soon as possible.

After what I have just said, I would not like my hon. friends from the Ralliement Créditiste to have a heart attack every time I rise to speak, for I bear them no malice. Those are facts, Mr. Speaker, I have spoken about in a friendly spirit. I would not have brought up the subject had they not done so in the first place. I have nothing more to say, Mr. Speaker.

Mr. Matte: Mr. Speaker, I would have a few—

Mr. Speaker: Order. It is brought to my attention that the hon. member has already participated in the debate and evidently he cannot speak a second time. Does the hon. member for Trois-Rivières wish to accept a question?

Mr. Matte: Mr. Speaker, I would like to direct a question to the hon. member for Trois-Rivières.

Mr. Mongrain: I am always happy to help my friends to learn something.

Mr. Matte: Would the hon. member for Trois-Rivières tell us whether he was, during his last trip, a passenger aboard a Canadian Pacific train or one of the Canadian National which he has just praised?

Mr. Mongrain: Mr. Speaker, our friends of the Ralliement Créditiste are foxy. Last week, on leaving Ottawa, I had the pleasure to travel with my friend aboard the Canadian Pacific. It was a most enjoyable occasion.

Some hon. Members: Hear, hear.

Mr. Mongrain: We both had a rather enjoyable conversation. I was glad it happened and I would like it to happen again. However he does not know that I returned to Ottawa with the Canadian National and this is an almost weekly occurrence.

Royal Assent

You see, Mr. Speaker, how much our friends on the other side are in need of information.

Mr. Speaker: Is the house ready for the question?

[*English*]

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

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the house that a message has been received from the Senate informing this house that the Senate has passed Bill C-110, an act to amend the Farm Credit Act, without amendment.

• (5:50 p.m.)

[*Translation*]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of the adjournment tonight are as follows: the hon. member for Winnipeg North (Mr. Orlikow)—R.C.M.P.—comments of a judge of the Supreme Court of Manitoba; the hon. member for Winnipeg North (Mr. Orlikow)—Human rights—statement on non-discrimination policy in Northern projects; the hon. member of Halifax-East Hants (Mr. McCleave)—C.B.C. television—description of Americans.

[*English*]

Is it the wish of the house that we proceed to the next order of business in view of the fact that arrangements have been made for royal assent in just a few moments?

Mr. H. E. Gray (Parliamentary Secretary to Minister of Finance): Mr. Speaker, it might meet the wishes of hon. members if we began the next order of business, which is a complicated one, after royal assent has been given, that is, at eight o'clock this evening.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

[Mr. Mongrain.]

THE ROYAL ASSENT

A message was delivered by Major C. R. Lamoureux, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, it is the desire of the Honourable the Deputy of His Excellency the Governor General that this honourable house attend him immediately in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the house went up to the Senate chamber.

• (6:00 p.m.)

And being returned:

Mr. Speaker informed the house that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

An act to amend the Farm Improvement Loans Act.

An act to amend the Prairie Grain Advance Payments Act.

An act to amend the Farm Credit Act.

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

MOTION FOR PAPERS

PASSPORT APPLICATIONS, JAMES EARL RAY

Mr. Eldon M. Woolliams (Calgary North) moved:

That an order of the house do issue for a copy of all applications and/or other documents leading up to the granting of a passport and/or passports to Mr. James Earl Ray, the alleged assassin of Martin Luther King.

He said: Mr. Speaker, this is a request for the production of two applications which must have been completed by one James Earl Ray and one or two other people in relation to two Canadian passports which were found in the possession of the accused at the time he was arrested and taken to the United States by the proper authorities.

The first question which might be asked is, why do I feel this information should be forthcoming? I have in my hand an application for the issuance of a passport. As all hon. members will agree, a passport issued to a Canadian citizen arms that individual with identity not only in his own country but, with proper documentation, the right to enter other countries throughout the world. It is a very important document. In certain spy rings documentations are forged, including passports of various countries. Therefore the

issuing of a passport to a Canadian citizen is very important because a passport is one of the most important documents issued to any of us during our lifetime.

In examining the application form, which has been very carefully prepared by the department, we find that the information required includes proof of the individual's name, date of birth, identity, place of birth, height, colour of hair and eyes, weight, occupation and visible distinguishing marks. An applicant is also asked about his marital status. If the applicant was not born in Canada he must show proof of Canadian citizenship. A passport is then issued to a Canadian citizen, as I understand it, after he has signed a declaration. A declaration of a guarantor must also be completed. This is usually completed by a person in a certain category—a solicitor, a notary public, a member of parliament or a clergyman. That individual guarantees that the facts disclosed in the application are correct and that he personally knows the applicant. He then takes a solemn declaration in accordance with the law.

I might say for the record that perhaps too many of us do not analyse these documents carefully until a matter such as the one now before us comes to our attention. If the guarantor happened to be a solicitor such as myself the declaration would state: "I, Eldon Mattison Woolliams, declare to the best of my knowledge and belief that the statements made in this application are true."

• (6:10 p.m.)

That is the first point. Whoever made the declaration in respect of the passport application of James Earl Ray must first have declared—and this is a very serious matter—that all the statements made by the applicant were true to the best of his information and belief. In order to make such a declaration one must have knowledge of the applicant. In other words, such a declaration is not made lightly. The person you go to see is generally your solicitor, clergyman or member of parliament, a person you know and who knows you. People in this category make declarations in respect of applicants for passports; they declare that they have known them for a number of years.

An hon. Member: A member of parliament is not included now.

Mr. Woolliams: The hon. member says that a member of parliament is not included now. He used to be. Some members of parliament, like myself, are also solicitors and we are in a dual capacity. You declare that you have personally known the applicant for a number of years. Two years is the minimum. It used to be much longer. You specify the time you have known the applicant. Usually the declaration is made by somebody who has known the applicant for ten years. After you have sworn that you know the facts contained in the application are true and you have known the applicant for at least two years, you sign the declaration and it is attached to the passport application. A photograph of the applicant is also included in the passport application. The person making the declaration must certify that the photograph is that of the person making the application.

What are the facts in this regard? We are told by the C.B.C. what happened in this case. We were not told by the government because we cannot get this type of information from the Minister of Justice (Mr. Turner). I do not know why we cannot get this type of information from him, but that is the situation. I do not know why he would want to hide it. We cannot get this information from the Solicitor General (Mr. McIlraith). Perhaps they are so cautious about giving information that even if it is not harmful it is not given to us.

We have not been able to obtain from the government information as to who actually signed the declaration or how many applications were made. But the C.B.C. tells us that two applications were made. We know that the person who obtained these two passports, James Earl Ray, has been charged in the United States with the assassination of Martin Luther King. James Earl Ray is an escapee from a penitentiary in the United States. He entered Canada legally or illegally, and after getting into this country he made an association, female or otherwise. I am certainly passing no judgment so far as she is concerned because I do not think she enters into the picture except in a social way. She knew this person and probably felt sorry for him. We know that many of these fellows can con people. They look like ministers of the cloth, but when you find out their character you realize what they are.

In any event, Mr. Speaker, this man came into Canada and met somebody unknown, also an American. They were probably connected through one of these crime syndicates we have been talking about. The deal was made. This matter is not before our courts. James Earl Ray stands charged in the United

States with the assassination of a Nobel prize winner who did a great deal to bring together the two races in that country. There is some suggestion that Ray was merely there as a bluff for somebody else and did not commit the act of which he is charged. However, that will all come out in the trial to be held in the future. I see that he has now changed solicitors. But that is not the complaint I am making, Mr. Speaker. My complaint is that here we have a Canadian or Canadians, two of them, who made a solemn declaration, first that they knew that the facts contained in the application for passport were correct and, second, that they had known this person for two years and knew him to be a Canadian citizen.

When we asked questions of the Solicitor General and the Minister of Justice in respect of this matter we received the same kind of answers as we received in respect of Hal Banks. We now find out that two passports, not one, were involved. We have found this out because you can get more information from the C.B.C. than from this government. It appears, as I say, that two passports were obtained by this man. Section 10 of the act requires a commissioner to take an affidavit to satisfy himself that the deponent's signature is genuine, and then personally to administer the oath to the deponent. It provides for a fine up to $500, and not less than $25. That is in the statute.

It is difficult to obtain information from the Solicitor General or the Minister of Justice. They are great buck-passers. If the question is a little difficult for the Solicitor General to answer, he says it is not within his jurisdiction and is a question for the Minister of Justice, and vice-versa. Sometimes they throw up their hands and say they do not have jurisdiction to deal with the matter. The Minister of Justice is responsible for justice in Canada, but laying charges under the Criminal Code is the function of the attorneys general of the provinces. I will come to grips with that problem in a few moments.

The fact that a crime has allegedly been committed by one or two Canadians with reference to this application is a serious matter. It means that perjury has been committed or a false declaration has been made in contravention of the Criminal Code of Canada. I will read the relevant sections of the Criminal Code in a few moments. I would have thought that the Minister of Justice and the Solicitor General, whose function it is to administer justice in this country, would have made sure that the most serious charges were laid in respect of completing an application for a passport, knowing the facts contained therein to be wrong, in order that a gangster of another nation could take advantage of the passport. This is why I have been asking questions about the matter; it is not that I hold any brief for James Earl Ray. People throughout the world had a great deal of sympathy for Martin Luther King. However, I am talking about the administration of justice. This is my great concern, as it is that of most people in the world wherever they may live.

To the service of criminal justice, the great concern of men on earth, we must bring the best and most dedicated talents among us. This is why the responsibility for the administration of justice in this and other countries is supposed to be given to men who rise above party politics. Such men are appointed to this position if they have these qualities to administer the law of the country. Under our system it falls to the party in power to appoint such a man. When a man is appointed to this position he is supposed to devote himself to the welfare of the citizens of the nation and rise above partisan politics. These people we must train and perfect. We must bring out the best in all who serve. The direct impact of police, judges and corrections officers on the well-being of every Canadian increases steadily because we live together to a greater degree than ever before. We cannot afford less than the best. We must engage in a continuing conversation, a free interchange of experience. Effective co-ordination among all agencies is necessary, and research and development should be available for every criminal justice need. Surely, Mr. Speaker, this is the very least we can hope for from a minister of justice.

What is the situation here? I repeat that two declarations were made by two guarantors who swore falsely—they must have—about the facts contained in the passport applications. They could not truthfully say they had known this man for two years because during some of this time he was incarcerated in the United States.

Someone has suggested that a travel agency may have been mixed up in this matter. If travel agencies in Canada are completing such declarations to obtain passports for people, then this is putting a heavy responsibility on the personnel of the Department of the Secretary of State.

• (6:20 p.m.)

Now I should like to come to the reason I want this information. Let me ask this question: How did Ray get the two passports? We know that the people in the passport office are overworked and that there are too few of them. So far as members of parliament are concerned we all agree that the people in the passport office are very helpful when we ask for special privileges for constituents who want the procedure expedited so they may go overseas to visit their relatives. When we submit an application in the morning we often get it back in the evening. The people in the passport office do a tremendous job which they perform with the degree of responsibility one would expect from public servants. But they are overworked; they receive thousands of applications which they do not have time to process properly.

How did James Earl Ray get these two passports, and what about the two false declarations? Who are these people who have not been charged either with perjury or with making a false declaration? These two men have not been charged by those responsible for the administration of justice in this country. I do not think this is a flimsy matter because here we have a man who is charged with taking the life of a Nobel prize winner, a foreigner and a gangster who came to Canada and obtained two Canadian passports. If we are going to take this lightly what will happen to the administration of justice in this nation under this or any other government? Will Canada slowly drift into the carelessness of the United States where lawlessness is rampant rather than the rule of the law, which we respect and which is for the protection of our families? If we relax our rules in this regard we let down the administration of justice.

I read with great interest the article in *Maclean's* magazine about the great reformer, the Prime Minister (Mr. Trudeau). He was not in the house very long before being catapulted into the prime minister's chair. He did not bring about any reforms when minister of justice, and I am not criticizing that, but I read the other day that he was a great minister of justice. I suppose he was great because he was silent; at least, we did not know what he was doing. The present Minister of Justice (Mr. Turner) has already received acclaim in *Maclean's* magazine which says that he will be a great reformer—not jam today, jam tomorrow. We have had some great ministers of justice in this nation from the two national parties. I can think of Mr. Lapointe who had the respect of every Canadian of whatever political philosophy, and others such as Mr. Fulton. Whatever we may have thought about them they were men of integrity who wanted to see the law enforced properly.

Why were these charges not laid? The flimsy excuse has been given that one man has been charged under the commissioners of oaths act of the province of Ontario under which people wrongly issuing a passport or signing an application for a passport for a gangster from the United States are fined $25. What is the position of the Department of Justice in this regard? Is it the minister's fault, or whose fault is it? Let us take a serious look at the Criminal Code of Canada. Section 112 reads as follows:

> Everyone commits perjury who, being a witness in a judicial proceeding, with intent to mislead gives false evidence, knowing that the evidence is false.

Such a man is guilty of perjury. Then we have other sections with regard to perjury, false declarations, false affidavits and false oaths under examination for discovery in the presence of officers of the court. Then we have section 113 which reads as follows:

> Everyone who commits perjury is guilty of an indictable offence and is liable to imprisonment for 14 years, but if he commits perjury to procure the conviction of a person for an offence punishable by death, he is liable to imprisonment for life.

Of course section 114 will have to be brought up to date but it shows how serious it is to take a false oath when giving evidence at a trial, whether civil or criminal. Perjury is a very serious offence if you make a solemn declaration under oath knowing that your statements are false, and particularly if you induce an officer of some department of the government to do an administrative job such as somebody did for this man. I am not suggesting for one moment that the minister has anything to hide—surely he has not—but I cannot understand why he would not get up and say, we will file those two documents and we will give this information to the opposition, whose function it is to do their job and find out facts from the government. This is all I am doing. It is my responsibility to see that the government is doing its job.

In this case I do not think the government is doing its job and I do not think the minister is doing his job. I know that the minister is a busy man, but once this matter was brought to his attention he should have said, as graciously as I would have thought he

would—I have always found him to be a gracious and nice man—certainly we will find these two documents and if there is a need for an investigation we will ask the police to interview these two people or one person, whatever may be the case, with regard to the application. Is there anything to hide? I do not know why the government is frightened with regard to these things, and it is not the only government that has shown such fear; I have seen ministers from other parties do it also.

An hon. Member: I do not think he is afraid.

Mr. Woolliams: Somebody has said he does not think the minister is afraid. The hon. member must be an idealist who has just arrived in this place. I have seen it and others have seen it. Let us take a look at some of the other sections of the code. Section 114 reads as follows:

False Statements in Extra-Judicial Proceedings. Everyone who, not being a witness in a judicial proceeding but being permitted, authorized or required by law to make a statement by affidavit, by solemn declaration or orally under oath, makes in such a statement, before a person who is authorized by law to permit it to be made before him, an assertion with respect to a matter of fact, opinion, belief or knowledge, knowing that the assertion is false, is guilty of an indictable offence and is liable to imprisonment for fourteen years.

I am reading now from Crankshaw's Criminal Code of Canada which does not have all the amendments, but the following section is the same. It is a continuation of section 114 and reads as follows:

It will be noted that the offence under s.114 above refers only to "extra-judicial" matters. It is, therefore, distinguishable from an offence under s.112 or 113 which are applicable to "judicial proceedings" as defined by s.99 (c).

This of course means giving evidence in a trial and making a statement you know to be false which leads to a conviction of some kind. If the charge were capital murder the person making such false statement could be committed for life. The section continues:

There is no definition of "extra-judicial" matters but the application of s.114 is restricted to situations where a person—

Mr. Speaker: Order, please. I regret I have to interrupt the hon. member to remind him that his time has expired, unless he has the agreement of the house to continue.

Some hon. Members: Agreed.

[Mr. Woolliams.]

Mr. Woolliams: Thank you very much, Mr. Speaker. The section continues:

—(not being a witness in a judicial proceeding) is "permitted, authorized or required by law to make a statement by affidavit, by solemn declaration or orally under oath".

As I see it, that section applies to the making of a solemn declaration that all the facts about the application are known to you and also to the declaration that the applicant has been known to you for at least two years. Whoever completed that declaration in this case told a lie, first, that the facts in the application were true—it is a lie because the fellow was not resident in Canada and was not a citizen—and, second, that he had known the person for at least two years. It is not likely that he did know him for two years, and if he did this only compounds the crime because James Earl Ray had just escaped from a penitentiary.

Section 118 reads as follows:

Signing Pretended Affidavit.

Every one who

(a) signs a writing that purports to be an affidavit or statutory declaration and to have been sworn or declared before him when the writing was not so sworn or declared or when he knows that he has no authority to administer the oath or declaration,

(b) Using Pretended Affidavit.—uses or offers for use any writing purporting to be an affidavit or statutory declaration that he knows was not sworn or declared—

(c) Writing Purporting to be Affidavit.—signs as affiant or declarant a writing that purports to be an affidavit or statutory declaration and to have been sworn or declared by him, as the case may be, when the writing was not so sworn or declared,

is guilty of an indictable offence and is liable to imprisonment for two years.

• (6:30 p.m.)

I have referred to sections 112, 114, 116 and 118 of the Criminal Code and made a differentiation between those sections which apply to persons making false statements under oath or swearing a false oath in connection with judicial matters, and other matters which are not judicial. The latter reference applies to the matter before us. As a member of parliament trying to do a job, I would have hoped that when I asked, that these documents be filed the documents would have been filed. If the documents show two people signed, different people who signed affidavits or declarations, then that is a question for the law officers of this nation, both federal and provincial, to look at in the light of the sections of the code, and lay the appropriate

charge. This is the course that should have been adopted, rather than laying a little summary conviction charge under the Commissioner of Oaths Act. If this newspaper article is true, that is what should have been done. I have no information other than would be revealed in the documents, and that is why I am asking this minister now to file the documents so that I may learn the facts. There may be more to this matter than I can see; and if there is, why cannot members learn about it?

We have been told that because the matter is before the courts it is impossible for us to have these documents. We have been told that the matter is *sub judice*. This rule only means that we should not say anything to prejudice the accused. It is not an umbrella for the government to hide behind, and say that they do not have to disclose these documents. Rules are to be used for the protection of people and are not intended for the government to hide behind. The government should make these documents available so that we can find out the names of the persons involved. Is this going to prejudice the accused? Is it going to prejudice the accused in connection with this particular charge?

These documents should be filed because investigation may reveal that other charges should be laid. Then a member of parliament who is doing his duty, taking his responsibility, could bring the matter to the attention of the Minister of Justice (Mr. Turner) who, in turn, could bring it to the attention of the appropriate officers and a proper charge could be laid. I want to ask this question: What is the Minister of Justice hiding? Why does he put me in the position where I have to debate this motion, when he could have merely filed the two documents? When we get an answer to that, we might ascertain the information in these documents.

I want to draw just one analogy, and then I am through. Since there is a new administration in the United States, today I asked the Minister of Justice whether he, through the proper diplomatic channels, would ask the new administration when they take office to review the political or administrative decision in respect of Hal Banks. Certainly this was not a court decision, because the United States court ruled that Mr. Banks should come back to Canada to stand trial on the charge of perjury. In fact, what would have happened when he came back here was that he would have been in the little old penitentiary, waiting for his appeal or serving the three or five year term, whatever it was. When I asked that question of the minister, he said I was learned in the law, and I know he feels he is learned in the law. He said the courts had made a decision in that case. The courts had made a decision, and they made a decision in favour of returning Mr. Banks. However, Mr. Rusk made another kind of decision.

Mr. Speaker: Order. I suggest the hon. member is now going beyond the terms of the motion now before the house, which is that certain papers relating to a specific case be tabled at this time.

Mr. Woolliams: I appreciate that, Mr. Speaker, but I am drawing an analogy between the circumstances that existed then and those which exist now, to explain why they will not produce these documents, why they will not give that answer. These circumstances are obvious, but I do not know them now. It is for that reason I want the documents. We know what the newspaper story said, whether it is true or not—that the Democratic party got $100,000. Then Mr. Rusk made an administrative, political decision.

Mr. Speaker: Order, please. I have to interrupt the hon. member and ask him to respect the rule which requires hon. members to confine their remarks to matters that are relevant to the motion before the house. The hon. member knows, much better than I do, that this type of motion permits a debate which is limited in scope. The only thing that ought to be discussed at this time is whether or not certain papers should be produced. We should not be discussing the substance of the case behind the documents, but we should limit our discussion to whether the papers should be produced. There is a considerable number of decisions by previous very learned Speakers to this effect. I know the hon. member is quite aware of the situation.

Mr. Woolliams: I appreciate your confidence in me, Mr. Speaker, when you say I am aware of the rules of debate. These things are interlinked with the reason for the refusal to produce these documents. We have to satisfy the government, either by a sales job to show that they have nothing to fear, or a sales job to show that no matter what they fear they should fulfil their responsibilities. We have to get the facts. However, I shall let the analogy drop at that. As I said, it was an administrative and political decision which was made, so the statement made this afternoon was not correct.

Since I am over my time, may I ask in conclusion: Were two passports issued? Who completed the two applications? Who made the two false declarations? What criminal charges will be laid? What kind of investigation is being made? When will this lengthy investigation end, so the people can be brought to justice? I refer to the people who embarrassed the department so far as the documentation is concerned. This half hour could have been saved if the government had fulfilled its responsibilities. I do not believe—or I would hope—they had nothing to hide. However, even if they did, they have a responsibility to produce these documents.

[*Translation*]

Mr. Jean-Pierre Goyer (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I can assure the hon. member that the Minister of Justice (Mr. Turner) and the officials of the Department of External Affairs intend to give serious consideration to his comments.

On the other hand, the government has nothing to conceal. On the contrary, it wishes to co-operate fully with the law. In fact, the case is pending before the courts and consequently it is *sub judice*.

It can be expected that during the trial, the documents referred to by the hon. member will be brought before the court. Consequently, they will automatically become public. The hon. member will then have no trouble finding out the details thereof. Therefore, I would ask the hon. member once again to withdraw his motion.

[*English*]

Mr. Frank Howard (Skeena): I must apologize now, Mr. Speaker, for the fact that I was born and raised in British Columbia, and lived there all my life except for occasional forays into eastern Canada. As a consequence, I did not have much opportunity to learn the French language. The simultaneous translation system was not functioning from French into English while the hon. gentleman was speaking, so I heard only the last part of his remarks. He seemed to be saying that this matter is before the courts and is therefore *sub judice*. Eventually, the information will become public. In view of that fact he asked the hon. member for Calgary North (Mr. Woolliams) to withdraw his motion. This is the sense of what I got from his remarks.

I am not speaking for the hon. member for Calgary North in this situation, but I believe this is precisely what the president of the Treasury Board (Mr. Drury) said on November 6 when this matter was raised. The hon. member for Calgary North did not agree, and the matter was transferred for debate. I presume the same answer will now be forthcoming.

• (6:40 p.m.)

There are two or three matters that disturb me about this situation, Mr. Speaker. One is whether or not this case is *sub judice*. Another is the proposition that was put forward by the hon. member for Calgary North, that on the surface—and there has not been any argument about this to the contrary—there are instances of somebody having signed a passport application as guarantor in a false manner; that there is here an element of somebody having perjured himself or having signed the passport application knowing that his declaration was false. This, Mr. Speaker, at least from what we have been able to find out so far, is factual and correct; certainly no one has argued to the contrary.

That being the case, Mr. Speaker, and since this question has been a matter of public knowledge for some time, it seems to me that the law officers of the crown, or the attorney general of whatever province might have jurisdiction in the case, should have been seeking out the individual or individuals who may have signed such documents in order to lay appropriate charges against them.

If, Mr. Speaker, law officers of the crown or law enforcement agencies are, in effect, going to disregard the possibility that someone might have perjured himself or made a false declaration, thus commiting an illegal act, then all this does is to help bring the law into disrepute, to treat it as nought. Surely if there has been a false declaration and a criminal act committed by whoever signed as guarantor, then such situation should be dealt with as a separate matter by the law enforcement agencies. But to hide under the proposition—as I submit is the situation—that the matter is before the courts is, I think, disregarding the consequence to which I have referred.

I do not know, Mr. Speaker, what exactly is before the courts here. All I know is that this is what the President of the Treasury Board (Mr. Drury) said the other day, as reported at page 2481 of *Hansard*:

> The Minister of Justice has already informed the house that this case, involving a passport application to which my hon. friend has referred, is now before the courts. The matter is therefore *sub*

judice at this time, but we expect that the documents in question will become public knowledge—

—during the court case.

I do not want to enter your field, Mr. Speaker, of making a ruling as to whether or not a matter is before the courts or is *sub judice*. However, I do submit that if the President of the Treasury Board, the Minister of Justice (Mr. Turner), the government, or the minister's parliamentary secretary, who again just raised the issue whether this case is *sub judice*, were really serious in their contention, then the President of the Treasury Board should have raised this point the other day, should have made the necessary order, and this debate should not have been permitted to proceed in any manner at all.

In Beauchesne's fourth edition, Mr. Speaker, there are two references in the index to matters being *sub judice*. One refers to citation 149 and the other to citation 152. I will deal with citation 152 last because I do not think it is the citation that applies; it alludes to references to the commissioner of taxation, the board of railway commissioners, to judges or the judiciary by way of a personal attack upon the individuals holding those offices; it does not make reference to the issue whether or not a certain case is before the courts.

However, Mr. Speaker, citation 149 does make such reference, where it states:

> Besides the prohibitions contained in standing order 35, it has been sanctioned by usage both in England and in Canada, that a member, while speaking, must not:—
>
> (c) refer to any matter on which a judicial decision is pending;—

This citation, Mr. Speaker, does, I think, refer to matters that are *sub judice*. If the government were serious in putting forward a case to show why these documents should not be produced in response to the motion now before us, then the government should have proceeded further and protected the rules of the house by arguing on a point of order that the matter should not be proceeded with in this manner. The mere fact that passing reference only was made to this point, and this not by way of a point of order, is really an admission on the part of the government that they do not have a *sub judice* argument.

In fact, Mr. Speaker, what we have is simply an over-infection of the secrecy complex that has been so evident during the current parliament. I suggest there has been an overreaction on the part of ministers of the crown to the declaration of the Prime Minister (Mr. Trudeau), that if there are any cabinet leaks the minister responsible will lose his job; that if there are any conversations conducted by cabinet ministers with members of the press gallery or others concerning internal matters or matters brought before caucus, then heaven help the individual, he will no longer be a cabinet minister. I am sure that the President of the Treasury Board, normally a very generous and helpful minister, is thinking along this line and has interpreted, I submit in a wrong way, the Prime Minister's edict about secrecy. The course adopted does, I submit, reflect this secrecy concept of government, that things that normally should be revealed are not revealed.

I am not going to embark upon a discussion of whether or not we should be secrecy oriented or oriented toward the public disclosure of matters, unless the situation demands otherwise. The fact that the government did not bother to argue the matter procedurally under citation 149 is, I think, an indication of how shallow and shaky is their ground for claiming that this matter is before the courts and *sub judice*.

The other aspect to which I referred, Mr. Speaker, which was the continued lack of assiduousness in prosecuting or ferreting out individuals who apparently make false declarations, indicates the government's condoning of an act that tends to disregard the full force of the law, and thereby participates in the process of bringing the law into disrepute. After all, Mr. Speaker, if the government does not prosecute persons who make false statements of this kind, then others of like mind who seek to get a passport by false means may be able to do so with impunity, as a result of which our whole process of law would tend to break down. The simple exposure of documents to parliament and to the public would assist immeasurably in promoting proper enforcement of the law.

• (6:50 p.m.)

Before I close my remarks I hope you will permit me to wander slightly outside the rules of debate, since what I am about to talk about does not come precisely within the subject matter of the motion. We have been referring to passports and, in a secondary way, to the passport office. I agree with the hon. member for Calgary North (Mr. Harkness), that the people in the passport office have an accommodating, friendly, and generous approach toward the public when dealing with passport applications. The members of the office are overworked and do not receive credit for the amount of work they do. That casts certain reflections on the government

service, and the appropriate minister might keep this in mind when considering how much money ought to be allocated to the passport office.

To take a case in point, recently, when Hercules aircraft were to fly to Biafra and transport various commodities, the people in the passport office gave friendly and generous help. Because the government could not make up its mind, some of them had to go back to the office in the middle of the night at a moment's notice. They did so willingly, although no doubt with some grumbling after having gone home and settled down for the night. They had the required passports and documents ready in short order, even though barely a moment's notice had been given to them.

I have made these remarks, well aware they may be out of order but aware also of your generosity, sir, and your feelings of humanity toward the public service. I thank Your Honour for permitting me to make these remarks.

Mr. Speaker: Is the house ready for the question?

Some hon. Members: Question.

Mr. Speaker: All those in favour of the motion will please say, yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say, nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it. I declare the motion lost.

Motion (Mr. Woolliams) negatived.

Mr. Speaker: Does the house wish to proceed to the next notice of motion?

Mr. Howard (Skeena): Could that stand, Mr. Speaker. May we call it seven o'clock?

Mr. Speaker: The time being seven o'clock I do now leave the chair.

At seven o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

WAYS AND MEANS

The house in committee of ways and means, Mr. Faulkner in the chair.

[Mr. Howard (Skeena).]

CUSTOMS TARIFF

1. That Schedule A to the Customs Tariff be amended by striking out tariff items 20925-1, 21045-1, 22001-1 and the heading thereto, 22002-1 and the heading thereto, 22003-1 and the heading thereto, 26325-1, 40938-1, 42761-1 and the heading thereto, 42762-1 and the heading thereto, 44043-1, 44047-1, 47600-1, 56400-1, and 69315-1 and the enumeration of goods and the rates of duty set opposite each of those items, and by inserting therein the following items, enumerations of goods and rates of duty:

The Chairman: The text is attached to *Votes and Proceedings* of Tuesday, October 22, 1968.

Mr. Gray: I am pleased to have the opportunity of presenting the Customs Tariff resolution to this committee. I presume that hon. members have before them, as I have, a copy of the ways and means budget resolution of October 22.

As you will have noted, Mr. Chairman, the tariff resolution is a formidable affair of some 195 pages. I think it is fair to say, however, that the committee's task in examining this massive resolution should be less onerous than might appear at first sight. This is because the first ten sections, comprising 150 pages, represent the reintroduction in this parliament of proposals which were placed before the twenty seventh parliament over a year ago, and which were subjected to detailed examination in committees of that parliament, either the committee of the whole or the finance committee, and in fact have been in force on a provisional basis for some time.

In this connection it will be recalled that in the budget speech of October 22 the Minister of Finance referred to three sets of tariff resolutions which had been tabled by his predecessor in the last parliament, and which he was reintroducing. Probably it would be well for me to repeat, now, part of the explanation which the minister provided then, for it is relevant to this stage of our discussions.

The first set of resolutions involves for the most part what might be described as housekeeping tariff amendments. They were introduced originally in the budget presented on June 1, 1967. They reappear as sections 1, 2 and 3 on pages 4 to 8 in the general resolution before us. I believe the three resolutions just mentioned were considered in the committee of the whole in the last parliament.

The third, and by far the largest, of these sets of resolutions were those tabled on November 6, 1967, implementing Canada's commitments, other than those on chemicals

and plastics, under the Kennedy round agreements. The rates set out in these resolutions came into effect on a provisional basis on January 1 of this year. They were referred to the standing committee on finance, trade and economic affairs and after a series of public hearings the committee recommended them to the house for favourable consideration.

Parliament, however, was dissolved before any of these resolutions could be enacted. An order in council was therefore passed on April 25 under authority of section 22 of the Financial Administration Act, continuing in effect the proposed reductions in duty. The Minister of Finance announced at the time that collections of the increases in customs duties proposed on a few imported products were being suspended, but that it was the government's intention to ask the next parliament to enact legislation implementing both the reductions and increases, effective from the dates originally proposed in the resolutions. The resolution now before the committee will, if enacted into law, have this effect.

Those sections of the resolution which begin on page 153 relate to chemicals and plastics. They are new in the sense that they have not previously been before the house, and in that they are to come into force not later than January 1, 1969. As the Minister of Finance pointed out in the budget speech, they flow from the Tariff Board report on chemicals, under reference 120. The first volume of the board's report was tabled in this house in June 1966. The revised volume formed the broad basis for our Kennedy round negotiations on chemicals and plastics.

During the Kennedy round negotiations Canada undertook to introduce the concessions offered on chemicals and plastics not later than July 1. It was not, in fact, possible to implement the proposed new chemical and plastics schedule by that date. Accordingly, it was agreed with our trading partners that Canada could delay putting these concessions into effect until not later than January 1 next. It was also agreed, as an interim measure, that Canada would make reductions in the rates of duty on a number of chemicals and plastics in terms of the present tariff nomenclature. These were made by order in council for the period July 1 to December 31.

As to the tariff structure followed by the board, the industry proposed and the board recommended the adoption of the so-called Brussels nomenclature for most of its new tariff schedule. Both the industry and the board considered it was particularly suitable in a field of such complexity as chemicals and plastics. This nomenclature is used by the major trading countries, with the exception of the United States; it is a system for classifying goods under headings which are grouped into chapters and sections.

An integral part of the Brussels nomenclature are rules and notes which clarify the scope of the various headings. The board recommended that these rules and notes be adapted for Canadian use and that the Customs Tariff provide that the governor in council may prescribe such rules and notes. This is provided for in section 12 of the resolution on page 153.

When the tariff items relating to chemicals and plastics were referred to the Tariff Board for study the board was directed not to make any general changes in preferential margins—for example, in the difference between the British preferential and most favoured nation rates of duty. Generally speaking, at the time the board submitted its report chemicals of a kind produced in Canada were subject to duty at 15 per cent British preferential and 20 per cent most favoured nation, and those not produced at rates of free B.P. and 15 per cent M.F.N. Chemicals moved from the "made in Canada" category to the "not made in Canada" category or vice-versa on the basis of administrative rulings by the Department of National Revenue.

• (8:10 p.m.)

The schedule proposed by the board is very long. On an extensive list of chemicals produced in Canada identified by name, the recommended rates were 10 per cent under the British preferential tariff and 15 per cent under the most favoured nation tariff, with rates of free British preferential and 15 per cent most favoured nation on a number of residual tariff items providing for chemicals not produced in Canada. The structure proposed by the board, particularly with regard to the British preferential tariff, would be less flexible than the present tariff.

As the minister said on October 22, the board's proposals have given rise to many representations urging a less rigid system, and it seemed to the government that both the present flexibility and the results intended by the board could in fact be achieved. Accordingly the resolution proposes that a 10 per cent British preferential duty, instead of the free rate proposed by the board, be established for certain items in chapters 915, 928 and 929 of the schedule beginning on page

155. Under section 11 parliament is being asked to grant authority to the governor in council to lower this duty from time to time. This authority would be similar to that set out in the Customs Act to reduce or remove duties on articles used in Canada manufactures.

A somewhat similar situation exists with regard to certain plastics. Here also, in the light of additional information brought forward after the report on reference 120 was received, the Minister of Finance decided to depart somewhat from the board's recommendations, as was explained in the budget speech, in order to meet representations to the effect that the board's proposals provided no assurance of protection when new products are made in Canada.

I should like to make only three points regarding these modifications. First, they are within the scope of the Kennedy round commitments negotiated at Geneva. Second, they succeed, I think, in meeting in large part criticisms which Canadian chemical producers made about rigidities inherent in the board's original draft schedule. Third, they are consistent with the intent of the board's recommendations.

I referred earlier to the fact that the Kennedy round tariff resolution was examined, and favourably reported on, during the last session of parliament by the standing committee on finance, trade and economic affairs. I had the honour of being chairman of that committee during its hearings on these Kennedy round tariff changes. I would like to pay tribute at this time to the members who served on the committee during those hearings, for their serious study of the changes and their courtesy and co-operation at that time.

In its report that committee recommended the subject matter of the resolution to the house, subject to these comments. I should like to inform the house that the government has taken positive action on these suggestions, and I should like to comment briefly on each of them before resuming my seat.

The first comment or recommendation of the committee's report to the house was that great care should be taken in drafting Canadian legislation based on the new international anti-dumping code, and that the anti-dumping bill be referred to the committee. Both parts of this recommendation have been acted upon, and I have no doubt that the house will shortly receive a report on this matter from the standing committee on finance.

The committee's second comment related to non-tariff barriers. Dealing with non-tariff trade barriers is, of course, a long and difficult task but, as recommended, the government has and is intensifying its efforts to deal with and counteract any adverse effects on Canadian trade from present and future barriers of this sort. To this end we have sought and obtained the co-operation and help of Canadian producers and exporters.

In its third comment the committee recommended that close attention be paid to the operation of the adjustment assistance and the machinery programs to see that their aims are in fact being met. I am glad to report to this committee of the house that in respect of each of these programs the record to date appears satisfactory. As regards the adjustment assistance program a matter for particular gratification is that as yet no one has made out a case for assistance on the grounds of serious injury, or the threat of serious injury, as a result of Kennedy round cuts in the Canadian tariff. There is now every reason to expect that it will not be necessary to use the $10 million authorized for direct loans to assist in cases of injury in the current calendar year. On the other hand, a substantial number of applications have been approved, or are under active consideration, relating to technical assistance or loan guarantees in connection with projects to modernize or expand Canadian productive facilities to take advantage of new or enlarged export opportunities.

The machinery program appears to be operating smoothly, and to the general satisfaction of Canadian users and manufacturers of machinery. In view of the concern which was expressed in some quarters last fall about administrative problems inherent in the program, it is remarkable and reassuring that it now seems to be taken almost for granted. The Minister of Finance has informed me that apart from participating as a member of cabinet in the consideration and approval each week of a machinery remission order proposed by his colleague, the Minister of Industry, he now seldom receives comment on the program.

There are, however, two aspects of the program about which I should like to say a word. The first is the matter of appeals, which was discussed at some length by the finance committee in January. Provision was

made that recommendations of the machinery and equipment advisory board may be appealed by a dissatisfied party to a review board, which will be set up if and when required. However, to date no requests for such appeals have been received, and consequently no review boards have had to be established.

My other comment relates to the scope of the program, what is included in it and what is excluded. In this connection you will recall that its scope was defined largely in terms of machinery and equipment which formerly were classified under 18 pre-existing tariff items. During the past year the predecessor of the Minister of Finance, the present Minister of Finance and also the Minister of Industry, Trade and Commerce, have received a number of representations regarding the scope of the machinery program, some suggesting that it be expanded to include additional kinds of machinery, and others suggesting that certain products be excluded from it. They decided not to propose any changes at this time. However, it is their intention that the program be reviewed from time to time in the light of developments. Changes may be proposed in some future budget, if deemed desirable in the light of domestic and international considerations.

This concludes my remarks at this stage, Mr. Chairman. If it is your wish to call each of the 20 sections of the resolution individually, I will be glad to add further comments on each section as it is called, either at this stage or later stages of debate, comments on what these tariff changes will mean and have already meant to the positive development of Canada's trade to what I think is the general benefit of our country.

Mr. Monteith: Mr. Chairman, the Parliamentary Secretary to the Minister of Finance has outlined the general intent of the resolutions, which deal with certain propositions introduced in the June 1 budget of last year and also on November 30. Fundamentally the meat of the thing concerns the Kennedy round discussions. He mentioned that parliament was dissolved and as a consequence threw the gearing of these things out of kilter. It certainly was dissolved. We find all these things are heaped up. I am quite serious when I say this government is trying to indicate that we are not getting enough business done, but here it is trying to shoulder all this stuff, which goes back to June 1, 1967, into one brief fall session. However, sir, the opposition still has some rights in this house.

I would comment on one other statement the parliamentary secretary made. He was chairman of the committee at that time. He made a very able chairman and I would like to compliment him on his conduct during those committee hearings. Indeed, I think he was the most able chairman with whom I ever served on a committee. But as a consequence of having sat on that committee I am sure he will appreciate that I personally still have some reservations, and I think honestly so.

• (8:20 p.m.)

Having said that, I should like to suggest that as a result of these lengthy committee hearings last January I sincerely hope the Kennedy round adjustments will mean freer trade for Canada, and that trade will not be all one-sided. Canada should not only be importing more from outside; it should be exporting more to other countries.

The parliamentary secretary said that the Kennedy round neglected to take into consideration non-tariff barriers, which to me are most important. Let me give one small example. As I understand it, the United States copyright act is much more severe regarding productions going into the United States than our Copyright Act is in respect of productions coming into Canada. This situation must be considered seriously. My understanding is that the United States copyright act is almost prohibitive, so far as Canadian productions are concerned.

I have not been a member of the committee since it began studying the white paper on anti-dumping, which was produced by the government, but I gather that the proposed anti-dumping amendments will provide less protection to Canadian industry than now exists. At least the evidence points to this situation. The new anti-dumping legislation is not going to protect our industry to the extent it is now protected, and under the conditions which now exist we have cause for complaint.

We have heard certain rumblings, and I assume it is safe to say that is all they are at the moment, from the other side of the border which we must consider of interest in respect of this whole Kennedy round procedure. Other countries and nationalities are interested in this, but in view of our tremendous trade with the United States—and I admit this is a two-way street—we must face the fact that more products come into this country than go to the United States. This is what disturbs me.

It is my hope that when the Kennedy round suggestions are finally implemented we will have greater export trade, or an export trade equal to our import trade. We have heard reports emanating from our great neighbour to the south that the United States will not be happy about the implementation of some of these Kennedy round adjustments. I trust there will not be any retaliation in this area.

It is not my intention to say anything further at this stage. As the parliamentary secretary has said, there are many pages in this budget resolution. I could not deal with them all in detail at this time. We shall wait to see the bill when it is presented. Let me again express my sincere hope and prayer that this measure will accomplish what the Canadian government thinks it will accomplish, although I have some personal reservations.

Mr. Saltsman: On this occasion, Mr. Chairman, looking at the resolution based on the Kennedy round, I think it is appropriate to point out the great opportunities opened to this country as a result of free trade. Let me point out also the great dangers inherent, unless we are prepared to take a number of steps in harmony with trade liberalization.

This party has always favoured a freeing of international trade in the interests not only of this country but those of the international community. We believe that the liberalization of trade will bring the nations of the world closer together, enabling us to join in opportunities in the future. The concern felt on this side of the house under present circumstances arises from the fact that to a very large extent Canadians are not masters in their own houses, so far as industry is concerned. Much of our industry is under United States domination, with the result that we have less opportunity to pursue foreign markets than we might have. The capital and know-how which has come our way from south of the border has not been priceless. This has not been just manna from above, but has been accompanied by serious implications affecting our sovereignty, and our ability to be productive.

When we consider raw materials we must obviously realize there has been little or no problem in the past. The raw materials exported by Canada have generally entered the countries of our major buyers either free of duty or with relatively little duty. In the United States particularly, where many of our raw materials are needed, the situation has been such as to permit the entry of large quantities of our natural resources. This situation will not change very much as a result of the present situation.

Our real difficulty arises because of the nature of secondary manufacturing in this country and our inability to ship these goods around the world. Lower tariffs in themselves will not solve the problem. Nor will free trade in itself provide a solution. This is true particularly because our industry is dominated by international corporations whose purpose is to serve the best interests of the corporate structure, rather than the best interests of this country. This means that even where opportunities exist for export we are not always able to take advantage of them because a corporation may find itself in competition with one of its branches in a foreign country.

The Watkins task force, commissioned by the government to look into this matter of foreign ownership and its effects, has pointed out the very great dangers inherent in foreign ownership of industry. The suggestions it made to the government have not been followed. The task force suggested several things the government has not seen fit to accept.

It might be instructive to look at some of the areas in which we have had either free or liberalized trade, in order to see what has happened under free trade circumstances. One of the areas worth examining is the farm machinery industry. We have had free trade in respect of farm machinery for a long time. What has happened as a result of free trade? Canada was a great manufacturing nation of farm machinery. We had every reason to believe that we could become even greater and that the balance would tip in our favour. Instead of that, over the period in which there has been free trade in farm machinery our exports of farm machinery have been about one-third of our imports. We have not really benefited substantially from free trade. If we look at the figures for 1963 we see that the exports in that year were $104 million as against $293 million for imports.

• (8:30 p.m.)

There was recently a strike at one of the plants of a very large Canadian manufacturer of agricultural equipment. The question involved was that of wage parity. The argument of the company was that it could not meet wage parity with the United States, for a number of reasons. One of the arguments of

the company was the lower productivity in Canada. The company commissioned a report by a reputable firm in the west. That report was supposed to document the company's position as to why in this country they could not meet wage parity with the United States.

This was after many, many years of free trade. One would have assumed that the free movement of goods back and forth across the border would have meant that wage parity could have been achieved, because there was no reason for lower productivity in Canada vis-à-vis the United States. If it had been a question of difference in transportation costs, the people involved were quite prepared to accept this as one of the limitations, but the problem went away beyond just the question of transportation costs.

A Canadian who read the report prepared for the company, and their arguments, must have felt enormously depressed because of what companies such as this had done to the Canadian economy. In effect, they had concentrated all their modern plants, their automated plants, in the United States during the free trade period, and they had concentrated all their labour intensive plants in Canada. They were simply saying to Canadians: You will either accept lower wages than those of American workers, or we are not interested in locating our plants in Canada. They were saying, in effect: You must permanently accept a lower standard of living and give us a premium, or we are not prepared to invest further in this country and bring you up to the same level and standard as American workers.

This is a shocking indictment of free trade in the farm machinery industry—and this was a Canadian company. This plainly illustrates how much importance can be attached to the integrity of the owners of such companies. It is a shocking indictment of what happens under free trade. I bring this matter to the attention of hon. gentlemen opposite so they may realize that free trade is not a panacea in itself, that unless we have active government intervention in our economy, unless there are specific guide lines to international corporations in this country, every Canadian will be the loser. Free trade will not automatically give us a higher standard of living or even a more rational structure unless the government makes an effort to ensure that these companies operate in the long term, best interests of Canadians.

If we have to pay a bonus for each of the industries operating under free trade, the liberalization of trade will prove to be a disaster to this country. If we stop and think about it for a moment, we will understand why they are exacting this bonus. When an investor has a choice of obtaining a return in his own country as against a similar return in another country, even assuming that both countries have stable governments, are politically compatible and their laws are reasonable, he asks for a premium to move outside his own area of political jurisdiction. Since much of this industry is becoming more and more oriented to the United States market and to the needs of American corporations, that premium will be asked of every industry in this country operating under free trade, if left to its own devices.

Let us look at the oil industry. It is sometimes pointed out that the rationalization of the oil industry in the west has been of great benefit to Canada. I think some doubt must be expressed about just how beneficial it has been. We are still a net importer of oil. Much of our productive capacity is running away below its potential. In some areas this industry is running at about 35 per cent of the capacity of our wells. We are still importing oil, rather than having our wells operate at the volume at which they are capable.

An arrangement has been made between Canada and the United States for the movement of oil back and forth across the border, but this arrangement has been largely dictated by the needs of the international oil companies to suit their purposes and their interests, and to some extent to suit the foreign policy interests of the United States rather than the specific interests of Canada. It is my understanding that in respect of the policy we now have regarding oil there was some very substantial, behind-the-scenes arm twisting. This was during the period of office of a Conservative government. I understand that we obtained whatever arrangements we have at the moment only by threatening to build a pipe line to Montreal. The threat of building a pipe line to Montreal and taking Canadian oil at that point was one of the ways in which we got the oil companies to give us larger entry quotas into the United States. But even those entry quotas into the United States carried a price tag on them. We then had to take offshore oil, under agreed conditions, at the port of Montreal. Despite the precarious nature of these arrangements we still have a deficit in trade in respect of oil, of all things.

Let us consider another product with regard to which Canada is supposed to have

an enormous advantage in terms of production. I refer to nickel. Recently there has been a shortage of nickel, which has affected foreign as well as domestic users. Our domestic producers were not able to get enough nickel for their own use. At that time increased shipments of nickel were being made out of the country in raw form. It was quite apparent—and there is on the record a statement to this effect by the then minister of trade and commerce—that the needs of the foreign buyer for raw material would be met first before the needs of the Canadian manufacturer; that this was really the No. 1 priority of the Department of Trade and Commerce.

In the long run this policy has meant we have been condemned to be sellers of raw material and to be obligated to deliver raw material rather than develop in this country our own secondary industry. What I have said about nickel is probably equally true of copper in periods of shortage. I believe the time has come when with regard to products of this type the Canadian government must establish priorities and stabilize prices for our industry, in order to stimulate and encourage them in the secondary processes of raw materials. Under free trade this will not happen.

• (8:40 p.m.)

In recent years, since the introduction of the Canada-U.S. auto agreement, the government has taken great pride in pointing out the increased export of automobiles and parts to the United States under that agreement. Yet in this area also, while admitting there has been some improvement in the balance of trade in respect of automobiles and automobile parts, progress has not really been very rapid. Many of the advantages that we hoped to gain from this agreement have not been fully realized. Consumer prices and production facilities have not increased as rapidly as they should have, and we had every reason to believe that both of those things should have happened. I believe there are reports in the Department of Industry, Trade and Commerce which indicate that under this agreement productivity in Canada is as high as in the United States. Again there is a tremendous resistance on the part of the automobile companies, which are almost entirely American, to grant wage parity in Canada; and even if this were done, the fact that the value of our dollar is somewhat lower than the value of the U.S. dollar indicates that we are a long way from wage parity with our U.S. neighbour.

With regard to trade with the United States, we find that according to the 1967 figures respecting motor vehicles and parts we still have an imbalance of trade with that country amounting to almost half a million dollars. This is an enormous imbalance of trade, and although it is somewhat better than it was a few years ago we are a long way away from reaching the objectives which we felt we were entitled to reach. The difficulty in the Canadian economy is that so much of the development that goes on in this country is designed to meet the best needs of international corporations, usually U.S. corporations, rather than the best needs of the Canadian people. I believe we have a right to say to these companies: We are happy to have you in this country and we think there are opportunities, but there are opportunities for us as well; we believe you can do well but you have to recognize our best interests at the same time as you are here making your profits. Surely this is not too much to ask. Yet when we take a look at the range of government policies, there is very little in them to move industry in this direction.

A while ago there was some talk of voluntary guide lines. At the same time it was said they would be completely useless. There was also some talk of perhaps improving those guide lines, but to what extent we do not know. Yet I believe we should not be talking in vague generalities about guide lines. This government should know what the needs of the Canadian people are, they should know what the problems are—everybody else seems to—and they should insist that we get the best arrangements possible to fulfil the needs of this country. Free trade could very well result in the loss of industry or the slowing down of industrial development in this country. It is unfortunate but true that much of the industrial development that has taken place in this country has taken place because of the tariff structure. Whatever can be said about the tariff structure, it still must be said that it has had the effect of inducing some industrial development that might not have taken place otherwise. This is not to argue for the retention of the tariff structure which I think runs counter to modern thought and the long term needs of the country, but it is to point out that that tariff structure did serve some purpose and its removal could create grave dangers.

Recently I received a letter from an industry in my area which had anticipated that certain manufacturing facilities would be set up in this country. Following the conclusion of the Kennedy round and the implementation of legislation flowing from it, that industry which spoke of locating here does not now think it is necessary to do so. It believes now that it would be just as easy for them to ship from their head office in the United States.

Free trade in itself is not an answer, and I believe Canada needs what the Watkins report called a new national policy. There was a national policy in this country years and years ago, and whatever its defects may have been it did serve to create this nation and to form the general outlines of Canada. I should like to read from the Watkins report what it has to say about a national policy:

> The old National Policy served Canada in its day, as an instrument of nation-building and a means of facilitating economic growth. The challenges have changed and a new National Policy is required. The nation has been built, but its sovereignty must be protected and its independence maintained. A diversified economy has been created, but its efficiency must be improved and its capacity for autonomous growth increased.

What should those new instruments of national policy be? One of them, as suggested by the Watkins report, is a Canada development corporation, a corporation owned by the people of Canada that would step in to fill the void that exists in many areas and would ensure that much of the future growth and development of this country is in Canadian hands. The Watkins report called for a state trading agency to ensure that we do not lose sales to overseas countries because of United States policy, and of extraterritorial procedures of the United States.

We really do have a state trading company now in Canada, but it is not being used for that purpose. I think the Canadian Commercial Corporation could really do the job if it were given proper terms of reference. We have to be more willing to use crown corporations, to make up for the deficiencies of international corporations, and to challenge these corporations when they do not act in the best interests of this country. We should use adjustments boards to try to rationalize much of the industry in this country that finds itself in difficulties. Some of the industry that will be hurt will not be able to reorganize itself on an individual basis. It may be that these individual companies may have to be organized within the framework of the entire industry, and assistance and encouragement would have to be given to an industry to develop a more rational and efficient structure than is the case at present.

• (8:50 p.m.)

But above everything else, Mr. Chairman, this country must have full employment policies. Unless there are full employment policies, the adjustment will be difficult and crucial, particularly so in some areas of Canada that are now suffering higher than average unemployment. Under full employment many possibilities exist and the stresses and strains of moving into modern ways, of accepting the challenges that are inherent in freer trade, can be met. But when you have higher than necessary unemployment as exists in this country, free trade might have the effect of exacerabting the situation. Therefore, I think it is equally incumbent upon the government, when it is talking free trade and introducing resolutions regarding free trade, to indicate to us that they will introduce full employment policies.

It is difficult to ask for this kind of commitment from the parliamentary secretary, particularly so when the Minister of Finance has recently brought in a budget that negates any attempt at full employment. The minister's budget, in the face of this resolution, has been a disaster. It is as though he had no idea that such a thing as free trade were going on; it is as though he had no idea of the problems that might be created under free trade conditions; as though he closed his eyes and turned his back on the problem before him.

However, this House of Commons will during the debates in the coming days try to focus the nation's attention on this problem, and to indicate that while we welcome the increased opportunity for reduction of tariffs around the world, we are very much aware of the other policies that must be concurrent with such liberalization of trade. We intend to press for such policies.

Mr. Perrault: When we are engaged in a discussion of trade policies and tariff policies, Mr. Chairman, I think perhaps it is appropriate to say something about the immense trading potential which exists in the Pacific rim nations. Those of us who come from British Columbia, owe a great deal of our prosperity to our bourgeoning trade with Japan and other nations in the Pacific. We are perhaps, more conscious of the growing potential of trade with the Pacific rim nations than are the people of some other provinces in this

country. We are aware of the vast potential, and we want to remind other people in Canada that while trade with the United States is very important, and while trade with Europe is very important, while it is appropriate to discuss matters such as the ultimate creation of a North Atlantic free trade area, we must not forget the great potential of the Pacific. We must adopt progressive trade policies in respect of nations occupying positions on that vast rim, a rim which contains nations which represent trading potential even greater than that of Europe.

I know there are Canadians concerned with the competitive aspects of trade with nations like Japan, but in the view of most people who live in western Canada-British Columbia, Saskatchewan and Alberta—a vigorous effort should be made to develop even greater two-way trade with Japan and other Pacific nations. Canadian-Japanese two way trade may pass the $1,000 million mark this year. It appears inevitable, and this may come as a surprise to some members, that it will be only a few years before Japan replaces Great Britain as our second largest trading partner.

We in western Canada have found an outlet for many of our mineral products in the booming Japanese market. Yet, at the same time, we are aware of the fact that we have no monopoly on that Japanese market. While, we can congratulate ourselves on the great two way trade in which Canada and the Japanese nation are now engaged, we, as Canadians, must be concerned about the future of that trade. There are some Canadians who believe that Japanese trade holds out a great threat to Canadian jobs and the economy of our country. But I would remind this house, Mr. Chairman, that not only have exports to Japan been continuously growing to the benefit of British Columbia, Alberta and the western provinces—yes, and to the east as well—but they have always exceeded our imports from Japan by the rate of about three to two.

Reviewing these exports we find that grains, especially wheat and foodstuffs, make up one third of the total. Metals and metallic minerals, with copper ore leading, and uranium, the most important newcomer, make up one quarter; and lumber and pulp and paper make up a further sixth. Thus, these commodities form 75 per cent of our exports. It is interesting to note that included in the remaining 25 per cent are manufactured goods such as machinery, books and pharmaceutical products. Potash for fertilizer, which is important to our friends in Saskatchewan, is already an addition to our list of exports, and oil is another important product.

The statement has been made that since Canada's exports to Japan are predominantly raw materials, with wheat the largest single item, few jobs are created by this trade. Some of us in the west have attempted to contradict this sort of propaganda with respect to Japanese trade which comes from some other parts of Canada. This restricted view of Japanese trade and jobs may be true —as far as it goes, but it hides much of the job-creating effect of, for example, agricultural production. The actual sowing and reaping of wheat may require the labour of relatively few people, but wheat production requires materials produced in many other industries which give rise to further employment. For example it requires machinery for preparing the ground, sowing the seed, cutting and threshing the crop.

Wheat production also requires the use of fertilizer, transportation and storage as well as the use of banking facilities. Labour is needed to supply each of these factors and, to go back one stage further in the process of production, more labour is required to build the factories to manufacture the machines, and so on. Thus the total labour, direct and indirect, needed for wheat production is considerable, when the labour required at each stage is added up. A recent survey placed at over 75,000 the number of Canadians directly required to produce the whole of Canada's exports to Japan. And there are many other jobs associated indirectly with this valuable trade.

We in western Canada want all Canadians to know what this developing trade has meant to us in terms of prosperity. One of the reasons the west is one of Canada's most rapidly growing regions is because we have always had an open attitude toward trade. When we hear people in this house talk in terms of high tariffs and protectionism, adopting the attitude that we cannot lower tariff barriers because somehow it may endanger our economic security, we in the west simply say we have been competing in world markets for years. We have been selling our goods in non-protected world markets while we have had to buy many of our manufactured products from tariff-protected eastern industries. Let me assure you that in the process we have been competing very successfully, and we are doing very well.

Most people in western Canada, regardless of political party, now believe that Canadian technology, Canadian ingenuity and Canadian inventiveness have reached the stage when we can compete very successfully with many of the so-called sophisticated economies in this world. When we hear people in this House of Commons say: "Be careful about touching those tariff barriers; it may endanger jobs", we tell them, Mr. Chairman, that one way to become more competitive and to provide larger incomes for our people is by realizing the economies of scale that are possible only if we have larger markets in which to sell Canadian products. That is the key. If Canadian industry is able to sell in world markets expanded because tariff barriers are not as high as they are at the present time, we will have longer production runs and more productivity per worker. This is one way to increase the incomes of the people of this country.

• (9:00 p.m.)

While long term contracts and joint financing provided by the Japanese have been responsible in large measure for the prosperity of British Columbia's mining industry and other industries in western Canada, Canada is not the only source of raw materials. This, Mr. Chairman, is a fact that we in this house and the people of the country must realize.

For example, Mr. Chairman, there are significant developments in Australia. That country now provides 40 per cent of Japanese coal requirements, while Canada provides 5 per cent—although the new coal contracts will improve our share of this market. Although Canada represents a large potential source of iron ore for Japanese industry, we have no automatic market there. Some people think we have. India, Chile, Malaysia, Peru and Australia are major suppliers. India supplies 21 per cent, Chile 16.9 per cent, Malaysia 11 per cent, Peru 9 per cent and Australia 7 per cent. In the year 1966, the last available figure, Canada supplied only 3.4 per cent.

The immediate future, Mr. Chairman, is one of increased competition for this country in regard to Japanese trade, perhaps a smaller proportion of the market between now and 1975, from 1.9 million tons of iron ore this year to 1.4 million tons seven years from now. Competition will become tougher because our rivals are investing in handling equipment and port facilities that can accommodate the new generation of mammoth ocean freighters.

It is to be hoped, Mr. Chairman, that the government will continue to accelerate its efforts to improve ports in western Canada in order to help not only this nation but especially the products of Manitoba, Saskatchewan, Alberta and British Columbia to find easier and more efficient access to markets in the Pacific.

Canada is in a position, Mr. Chairman, to sell larger amounts of copper and other minerals to the Japanese market. Today the two commonwealth countries of Canada and Australia supply about one third of Japan's need for copper concentrate. Again, Mr. Chairman, competition looms in the form of Chile and the Philippines.

The point is that the Japanese market is vitally important to all Canadians. Many products that the Japanese have been able to purchase from Canada have been the result of two way trade. Yes, and they have spent money in Ontario and Quebec buying sophisticated equipment of various types. Some of the equipment has been computer equipment. All sorts of materials are being purchased in Ontario and Quebec with the dollars earned by the Japanese through their sales to Canada. That is why western Canadians say that this trade is vital to all of Canada.

Although the Japanese market is important to all Canadians, Mr. Chairman, it cannot be taken for granted; and neither can trade with the rest of this vast Pacific market. Early this year a group of economists met at Tokyo to discuss Pacific trade and development. Papers were presented by Japanese, American, Australian and New Zealand representatives, each of whom set out the role and objectives of their respective countries in the matter of developing Pacific trade. At this conference Canada was represented by three outstanding economists, one of them from Carleton University here in Ottawa. They were the well known Harry Johnson; Ted English of Carleton and Bruce Aitkinson of the University of Alberta. Conferences of this kind can be of immense importance to Canada, Mr. Chairman, and are deserving of the close attention and co-operation of this government.

In western Canada, Mr. Chairman, we believe that we should not divert all our attention to the north Atlantic free trade concept, or the North America free trade concept or the Caribbean area free trade concept when we talk of increasing our trade. Let us not merely send delegations down to South America, as important as those delegations are. Let us send a team of government

representatives and representatives from the western and eastern provinces to make a tour of the Pacific rim. Let us send people from Alberta, Saskatchewan, Manitoba and B.C. to find out what kind of potential exists there for trade with Canada.

Under discussion at the Toyko conference—some hon. members know about this—was the possibility of at least an informal Pacific free trade area, a free trade area with vast implications for Canadians. At the January conference our Canadian representatives presented, in part, arguments that the Pacific area is one of the great potential areas for the Canada of tomorrow; and our representatives found some arguments in favour of this informal free trade concept.

Any Pacific free trade area, at least in the immediate future, would at first involve Canada, Japan, Australia, New Zealand and the United States. This would be the nucleus. Let us not back away from this concept. Let us not say that somehow it will endanger our sovereignty or that it will destroy Canadian industry. Let us not adopt these introverted, narrow, tunnel vision concepts of trade.

In the kind of world in which we live today, Mr. Chairman, there is no point in scowling at the rest of the world, in saying that we will keep tariff barriers so high that we cannot even see over them. The world is becoming smaller and smaller. It is a world where interdependence will be the key to the future. We have to develop interdependence with the nations that rim the Pacific. They must not be regarded as mysterious lands that have no potential for the products that we in Canada produce. We must not regard it as an area that can take only our basic raw materials, because I do not believe that Canadians want to be hewers of wood and drawers of water exclusively. We are in a position not only to provide raw materials of all kinds from all parts of the nation; we are also in a position to produce sophisticated equipment and the products of secondary industry. We should develop our secondary industry and accelerate exports of them as much as possible.

Canadians, Mr. Chairman, are going to become more and more familiar with the progressive, industrial giant that is modern Japan. We are going to become more and more familiar, I hope, with the potential of the Pacific. Taking Japan as an example, no other country points the way so strongly to the great opportunities for Canadian trade in the Pacific area. No other country has developed greater initiative toward freer trade in the whole Pacific area. We should joyously and generously enter into discussions to find out how to promote that trade to our mutual benefit.

Mr. McIntosh: First of all, Mr. Chairman, I should like to make a few remarks in connection with the closing statement made by the parliamentary secretary when he spoke about these tariff changes. I do not have his remarks word for word but, paraphrasing them, he said that these amendments would benefit this country.

As a representative from western Canada and of the prairie farmers, Mr. Chairman, I should like to ask the minister a question, and in doing so I draw his attention to the item on page 6 that reads as follows:

> Machines and tools, including blades, loaders, rippers, rakes and related operating and controlling gear; all the foregoing for use on internal combustion tractors entitled to entry under tariff item 40938-1:—

Why are these items taken off the free list and now made subject to British preferential tariff of 2½ per cent, most favoured nation tariff of 15 per cent and general tariff of 35 per cent?

The suggestion made by the two previous speakers in connection with the free entry into Canada of farm machinery is, as far as I am concerned, a joke, and it has been a joke for a number of years. I say that for this reason—and I am going to make a plea to the parliamentary secretary tonight to change the situation that has developed.

There are many members perhaps, Mr. Chairman, who do not realize that it is the responsibility of the Department of Finance to insert these tariff items into the resolution. However, once inserted the interpretation of the items is for the officials of the revenue department. To try to get these two together is an almost impossible task.

• (9:10 p.m.)

While the parliamentary secretary is looking up that item and getting ready to answer me I wish to say something more about the remarks of the hon. member for Waterloo with regard to free trade and farm machinery. I take it he did not approve of it. He seemed to object of it, saying it was not in the best interests of the country. I wonder if his prairie colleagues in the N.D.P. will support that statement when they go back to their constituencies. I hope they will rise and

explain their stand on this issue when they have an opportunity.

I never thought I should agree with the remarks of the hon. member for Burnaby-Seymour but tonight, for the first time, I think he spoke some sort of sense.

Some hon. Members: Oh, oh.

Mr. McIntosh: I commend hon. members of this house to read his speech and see what he said about the results of producing wheat. I agree 100 per cent with him. As he gains experience his performance in this house will improve.

The old number of the item I am referring to is 409(f) in schedule A. For some reason or other the numbers have been changed and the new item number is 42711-1, found on page 6. There is one change in the new wording where it says, "internal combustion tractors". I do not know why those words were inserted, since I presume all tractors are tractors powered by internal combustion engines.

I wish to refer the parliamentary secretary to three remarks the Minister of Finance made on October 22 when introducing these amendments. On page 1690 of *Hansard* for October 22 he said:

> —the governor in council be given authority to waive, reduce or restore these duties. This procedure will permit a shortening of the list of statutory tariff items in the plastics schedule.

On page 1692 the minister said:

> What I am proposing would be the fairest and best, all things considered, including the desirability of not adding to the rate of increase of prices and costs of production.

I do not think that statement is meant to apply directly to agricultural machinery, yet I assume the minister intends that the same principles shall apply to this industry, because agriculture is an industry.

I know I read those statements out of context. When the minister made those three statements I have just referred to he was referring to chemicals and plastics, as the parliamentary secretary said a few moments ago. I submit that the principles enunciated there should apply to agriculture, as well as to any other industry. The principles listed are, first, the one to do with regard to the desirability of not adding to the rate of increase of prices and cost of production and, two, the one covered by the words, "This procedure will permit a shortening of the list of statutory tariff items...".

One of three principles that has been recognized by the parliament of Canada for many years is that farm machinery or equipment should enter this country free of customs duty and excise taxes. I should like the support of hon. members from the prairies on this matter. I ask the government and the parliamentary secretary whether the government intends to follow this premise; will it allow farm machinery or equipment to be used on farms free entry into Canada. Most farmers, and I am sure most hon. members in this house, believe that the provision for such an intention of parliament has been provided for under schedule A, which I referred to a few moments ago.

Among other items in schedule A is found this wording:

> All other agricultural implements or agricultural machinery, n.o.p.

For the benefit of hon. members who do not know the meaning of those letters, they stand for the words, "not otherwise provided". I take it that that ought to cover all agricultural machinery and implements not provided in the foregoing—and there is a great big list here.

Officials in the Department of National Revenue for some reason do not agree with this interpretation. They have power to impose duty on those items, which I am sure parliament intended to allow in duty free. The difficulty or controversy arises from the interpretation of two expressions, the first of which is "agricultural machinery", and the other "agricultural implements".

I think most of us will admit that in this day and age there is not one piece of machinery, or any one implement that is used on the farm that could not be used for some other purpose, if the need arises. This is the point that the officials seem to be trying to stress. When an application is submitted to them, the officials challenge the entry of the item that is applied for on the grounds that it could be used for some other purpose. They do not allow it to enter duty free.

I ask, does the minister believe in the principles he enunciated in the three statements I referred to a few moments ago? Does he believe in the desirability of not adding to the rate of increase of prices and cost of production, and the shortening of the list of statutory tariff items? I suggest to the parliamentary secretary that both the minister's principles would be served and justice to the farmer would be served if there were a slight change

in the wording of the tariff I have referred to. I suggest that where the wording now is, "agricultural implements" and "agricultural machinery, n.o.p.", it ought to be changed to read, "all equipment, apparatus, machines and implements for agricultural use".

If the parliamentary secretary will agree to that change I shall sit down and save the time of the committee. Otherwise I shall continue with my remarks. Perhaps the parliamentary secretary might indicate now whether he accepts my suggestion.

Mr. Gray: Perhaps the hon. member may wish to continue after he hears what I am about to say. Though I understand the motives behind his suggestions I am not in a position personally to accept his proposal. First of all I think the item he referred to in the proposed Customs Tariff and the preceding item are linked with our Kennedy round negotiations, and the agreement that came out of those international negotiations. Though my hon. friend's aims are certainly desirable, the changing in the wording he has in mind would not be consistent with the agreements with which we are involved.

My friend was asking about item 42711-1, if I am not mistaken?

• (9:20 p.m.)

Mr. McIntosh: Yes, number 42711-1.

Mr. Gray: This is a new item providing for rates of 2½ per cent British preferential, and 15 per cent M.F.N. for the front end loaders which are being excluded from item 40938-1, the preceding item. With the coming into effect on January 1, 1968, of the new machinery program provided for under item 42700-1, item 42611-1 is being deleted, so that these machines will be dutiable under the proposed item 42700-1 at the same rates but subject to remission in appropriate circumstances. Item 42711-1 thus merely ensured that for the period June 2 to December 31, 1967, inclusive, front-end loaders were dutiable at machinery program rates rather than at 10 per cent B.P. and 22½ per cent M.F.N.

Mr. McIntosh: I am sure the explanation given by the parliamentary secretary will not be looked on with favour by the farmers of Canada. This is not a new item. The piece of paper I have in my hand is over 20 years old, and farm machinery was allowed duty-free into Canada at that time. However, there will be plenty of time in which to continue this discussion. I am more than ever convinced that I have to try to impress on the government and on members of this house the need to get this one item changed under 409F, or at least to get some definition of the terms used upon which everyone will agree.

Am I right in my assumption that it was, and is, parliament's intention that agricultural machinery and implements intended for farm use be allowed into Canada duty free? I contend I am right in making such an assumption. I shall refer again to schedule A. I have read the item which refers to agricultural implements and machinery. For many years the people of this country assumed there was no difficulty whatsoever about getting agricultural implements into Canada duty free. I say it was the intention of parliament in those days that they should be admitted duty free, and that this intention has not changed.

I will refer the committee to items 409N 409-O and 409-Q. These items all refer to goods which are allowed entry into Canada free of excise tax and customs duty. Item 409-O refers to equipment for generating electric power when used for farm purposes only. Item 409-Q deals with auxiliary and internal combustion engines when attached to agricultural implements or machinery. Another in this group of items refers to electrical motors incorporated in or attached to agricultural implements or machinery. These items were not normally recognized as equipment or apparatus designed for farm purposes, or at least this was not the case when they were first placed on the schedule. But the articles mentioned were allowed free entry when used for agricultural purposes. I submit this establishes that the intention of parliament was that agricultural machinery or implements for farm use should be allowed free entry. On the basis of these examples it would seem to me that the intent of parliament was obvious; it was to assist farmers to keep down their cost of production so that they could compete in world markets. I believe this is still the intent of parliament today, but it is not recognized by the civil servants.

In case the minister or the parliamentary secretary should charge us with failure to make representations to the government on this matter at an earlier stage, let me point out that this issue has been raised on several occasions. It was last raised, to my knowledge, by the hon. member for Mackenzie, and I should like to put on record some of the remarks he made in the course of a discussion similar to the one upon which we are engaged tonight. They are to be found in *Hansard*—

Mr. Gray: Could I ask the hon. member a question? Can he indicate to me and to the committee where the items to which he is referring appear in the resolution before us?

Mr. McIntosh: Yes. This concerns the excise tax pertaining to farm machinery. I drew attention to the reference on page six to machinery and tools which are allowed free entry. The hon. gentleman has received a note, as is usually the case, from his officials. I shall refer to these letters and notes in a few moments and I do not think the hon. gentleman will like what I have to say. I am referring to the excise tax, which is being amended right now.

Mr. Gray: If I am not mistaken, Mr. Chairman, I think we are attempting to amend the Customs Tariff. We are not dealing with excise taxes at the moment. I was about to raise this point even before any matters were brought to my attention. I wanted to indicate to the hon. member that the section of the resolution with which we are dealing at the present time was considered and, I believe, passed by a committee of the whole of the previous parliament on December 14. I made some remarks connecting this resolution with the Kennedy round. Perhaps I might amend them by saying that the new machinery item 42700-1, which is related to one the hon. member originally asked me about, is part of the Kennedy round parcel, and that is why I atempted to suggest it would be difficult to consider at this time the specific point he was raising.

I should like to ask the guidance of the Chair as to whether we are in a position to discuss specific items which are not actually part of the resolution before the committee.

The Chairman: I would think not, but my impression was that the hon. member was talking about item 42711-1. I may be wrong, I thought it was perhaps by a slip of the tongue that he referred to the excise tax, and that he meant to say "customs tariff". Possibly the hon. member would like to clarify the matter.

Mr. McIntosh: I do not know what figures are being used, because they have all been changed. I intend to refer to the provisions of what is known as 409F. If the parliamentary secretary wishes to translate that into the new numbers, that is all right with me. If he thinks I am going astray, that is still all right with me. But the tariff is being changed right now and I am making the suggestion that while this is in process the Department of Finance should clarify what it is doing in making these changes. The Department of Finance puts these items in, and God knows who will be able to interpret them afterwards. The Department of National Revenue cannot do so. The Tariff Appeal Board cannot do so. When cases go before the courts, the judges have a heck of a time interpreting what is meant.

• (9:30 p.m.)

From time to time when discussing definitions in this house we have suggested that the Department of Finance recommend one dictionary that it will use, if there is dispute about any change in a word or about interpretation of a word. The department has refused to do that. When it is making these tariff changes I want those responsible to spell out what they mean by "agricultural machinery" and "agricultural implements" and, Mr. Chairman, I intend to stay on my feet until I get them to do that.

The parliamentary secretary was talking about the intention of parliament and about the idea that farm machinery and farm equipment are allowed into Canada free of tariff and excise tax. This is an erroneous statement, because as a consequence of the efforts of civil servants in the Department of National Revenue very few pieces of this machinery or equipment come into Canada free of tariff and excise tax.

As I said before, many representations have been made to the department. Recommendations have even been made by members of the Tariff Board that this entry be changed, but there has been no action from the Department of Finance.

I refer to the speech made by the hon. member for Mackenzie on July 30, 1963, as recorded at page 2813 of *Hansard* when he said:

> The minister is saying that this is a complicated procedure—

Just like the parliamentary secretary is trying to do right now.

> —through which we have to go before we can get an exemption. I recall, for example, that during the war the procedure was very simple. Eaton's and Simpson's had a blank form in their mail order catalogue and all you had to do was fill out the form to indicate that you were a farmer and that the particular item you were buying was for farm purposes. This was all that was required during the time of war. This method was devised by people who were getting a dollar a year. Now, however, we find this is an extremely complicated problem and the matter cannot be looked at for another year. This does not make sense.

That was five years ago, but no change has been made by the Department of Finance. I think it is high time that the government told farmers that it is not interested in lowering the costs of production of farm produce. In fact we have an example here—blame it on the Kennedy round if you wish—where the costs of production are going to be increased by the amount of the increase suggested here tonight.

My second argument that this item should be changed comes from the question, why does the government impose customs duty and excise tax on items to be imported? The obvious answer is additional revenue for the federal treasury and, more particularly, the protection of industry. I ask protection of what industry? Surely it is not just the manufacturing industry of eastern Canada? Surely the minister was not just referring to the manufacturing industry when he said he was desirous of keeping costs of production down? Knowing the minister as I know him, I am certain he had the agricultural industry in mind also when he made that statement.

As all hon. members know, both eastern and western agriculture are going through very difficult times. In fact so far as western agriculture is concerned it could be said that this industry is going through a transitional period, and the need for government protection and action is evident now, possibly more so than ever before. Evidence of eastern agricultural problems was demonstrated a short time ago when eastern farmers marched on Ottawa. I hope, as I said before, that eastern members representing rural ridings in this house will support my plea with reference to a change in this item.

Western agriculture is suffering from lack of markets for grain. It is facing the necessity of producing more competitive grades of wheat, and it is also facing the problem of increasing costs of production. By parliament today not recognizing the intent of the term, "all other agricultural implements or agricultural machinery n.o.p." we are contributing to an increase in the costs of farm produce.

Some will say, and rightly so, that the farmer has recourse from a denial by civil servants of free entry, by appealing to the Tariff Board. An action of this type is costly and in many cases more than the individual farmer can afford. As a result he pays the tax, as the civil servant expects he will. I would suggest to the parliamentary secretary that in the event a farmer won his appeal to the board, if the civil servant responsible for forcing the appeal in the first place were assessed the costs, then more farmers would receive the justice to which they are entitled under the laws of our country, and we would be following the intent of parliament when it inserted this one item in schedule A.

If there were any doubt in the mind of the person whose duty it is to decide whether a machine or implement is to be used for agricultural purposes, an end user's certificate could be requested. However such a proposal has never been accepted, to my knowledge, by the departmental officials. At least all my efforts in that direction have been fruitless.

The principal behind such a proposal is the same as that applied by the Saskatchewan government in the use of purple gasoline. If it is used for farm operations it is not taxable. If it is used for any purpose other than farm operations the violator is prosecuted. I would suggest that the same thing should apply here. If anyone gets away with importing machinery or implements under the guise of their being used for agricultural purposes, then it is up to the government to prosecute that person if he does not use them for those purposes.

If the minister will not accept the suggestion to change the wording of the item in question, then I ask that he arrange acceptance of an end user's certificate, stating the machine or implement applied for free importation is for farm use only, and if found being used for other purposes the violator should be prosecuted.

My third reason for requesting the minister to change the wording deals with the difficulty encountered in interpretation of the present two phrases. I think the minister will agree that if the term in the bill cannot be defined, then it is serving no useful purpose by remaining in the schedule. However, I suppose they intend to leave it in the schedule. Being there it is confusing and, as a result, creates unnecessary procedures such as appeals to the Tariff Appeal Board and to the courts. This has been the circumstance for years, and parliament has made no effort to change the situation. Efforts have been made by individual members, but these have not been successful.

As I have stated, members of the appeal board themselves have stated that the terms "machines" and "implements" have an elastic connotation, and they find difficulty in determining parliament's intent. Surely to goodness if board members themselves find difficulty in interpeting the things we put into

the act, it is up to us to assume the responsibility for changing the words, so that they can understand what we mean. As I said before, if we do not know what we mean when we put these words into the act, how can we expect civil servants, or even judges, to know?

On the other hand in the only case I had time to read, the court in question gave a much broader definition to the terms than did the civil servants in the Department of National Revenue. Therefore I would suggest to the parliamentary secretary that if more farmers could afford to take their rejected appeals to the courts they would receive the benefit of the intent of parliament and the justice they have a right to expect in our society or, as the term goes now, in our just society.

Because the individual farmer has occasion only once or twice in a lifetime to make application for free entry, he hesitates to take his case to the courts, due to the cost factor. This additional cost factor he cannot afford, and this is one of the reasons civil servants in the department have been so successful in their denial of the farmer's right.

When dealing with officials of the department the farmer finds that every possible obstacle is put in his way in reply to his application. For instance, we find the following reply: "The decision is final and conclusive". Another comment used, in one of the letters I have here, is this: "There is no provision in the agricultural implements schedule of the Customs Tariff whereby pumps for use in flood type irrigation may be admitted."

• (9:40 p.m.)

I wish I had time to read many of the precedents outlined by civil servants in the department for the farmers. I should like to know at this time what is a precedent: Is it something that supports what the department is saying or is it something that supports what I am saying? Having regard to the nature of some of these letters, I think someone should be taken to task.

I wrote the Minister of National Revenue on September 16, as I have done on several occasions, objecting to the very definitely negative paragraphs put out by some of his officials and sent in the form of farm letters to my constituents. I said that the civil servants should endeavour to assist rather than hinder those who contribute to their maintenance. I suggest one of the tasks of civil servants is to help these constituents.

The officials give yet another reason for rejecting these applications, saying in one case that the equipment must be of an active rather than a passive nature. They use this reasoning when a farmer is trying to get a wagon box exempted, saying that it must be of an active nature. A wagon box, of course, has no working parts. When you try to get a pump exempted, I presume they come back and say that it must be of a passive rather than an active nature. Apparently these precedents can be used both ways.

I have been surprised to find that many of these cases taken to the appeal board have been decided in favour of the farmers, after it was proved that the machinery involved could be used to a great extent not only for farm purposes but for other industrial uses. If farmers could afford to take their cases to the appeal board I think they would get much better satisfaction.

Let me put it to the parliamentary secretary, that this procedure is unnecessary if parliament would change the wording to which I have referred, making it much easier for the courts to make a decision. I should like to go into everything the courts have said in respect of agricultural machinery, in order to give members of this house a better idea of the problems the farmers have been facing when they make these applications. Let me refer to one case I found, which dates back to June 22, 1954, and is found in volume 1 of the Tariff Board Reports, at page 316. The president of the Exchequer Court in his judgment said:

> It is, therefore, important to ascertain the ordinary meaning of the term "agricultural implements". If the defendant's friction disc sharpeners come within such meaning it is not necessary to consider the ambit of the term "agricultural machinery". The word "agriculture" is defined in the New English Dictionary, vol. 1, as follows:
>
> 'the science and art of cultivating the soil; including the allied pursuits of gathering in the crops and rearing livestock; tillage, husbandry, farming (in the wildest sense).'
>
> and "agriculture" is defined as:
>
> 'of or pertaining to agriculture; connected with husbandry or tillage of the ground.'

He continues and gives the definitions as contained in Webster's New International Dictionary, Funk and Wagnall's New Standard Dictionary, Webster's New International Dictionary—I suppose he is referring to

another edition—and so on. After giving those definitions he then states:

I must now determine whether the defendant's friction disc sharpeners come within this ambit.

He concludes his judgment by saying:

It was also urged for the plaintiff that the term "agricultural implements" meant only implements that were actually used in tilling the soil or in such agricultural operations as seeding, harvesting or the like but did not include articles that were merely ancillary to such implements, such as the defendant's friction disc sharpener. In my judgment, there is no such limitation in the ordinary meaning of the term and, certainly the various classes of persons who dealt with or used the sharpeners did not consider there was any such restriction of meaning. They had no doubt that the sharpeners were farm implements, and therefore, agricultural implements. In my opinion, they were right.

I am quite sure, as I said before, that if farmers could take their cases to the courts they would win 90 per cent of them. In order that they do not have to do this I plead again with the parliamentary secretary to have the department change the wording of this one item.

Mr. Gilbert: Mr. Chairman, I should like to preface my remarks in respect of the Customs Tariff by congratulating the parliamentary secretary on his appointment and his able and competent chairmanship of the finance, trade and economic affairs committee during the last session. I should like also to congratulate the officials of the Department of Trade and Commerce who negotiated the Kennedy round agreements on behalf of Canada.

The parliamentary secretary said he would be pleased to answer some of the questions that might be fired at him. Perhaps he is prepared to tell us how the government feels about the attitude of the United States in respect of the Kennedy round agreements, and particularly the anti-dumping policy. Apparently there is some difficulty in this regard in Congress, and there might be problems in getting it passed.

There has also been an attitude expressed by the French government in respect of accelerating the tariff items, and this would have a direct effect not only on the European Economic Community but also on trade with France and other countries. Perhaps the hon. member is prepared to make a statement in that regard.

Every time I think of the GATT, which is the general agreement on tariffs and trade, I think of the words "fait accompli", because these items were put into effect on January 1 of this year. As of this calendar date they

appear to be of this nature; nevertheless we have to go through the necessary steps to make them law in this country. The first question that should be asked in respect of the GATT agreement is, what effect has it had on lowering the tariffs in Canada and on the Canadian economy? This question was referred to the Economic Council of Canada, which was commissioned to make a special review of the tariff structure. That council found that the effective protection afforded Canadian industry, under the Kennedy round agreements, had not been substantially reduced, and in some cases was substantially less than before.

Let me quote from an article which appeared in the Toronto *Daily Star* of September 12, 1968, in which the Prime Minister rejected further lowering of tariffs. This was in direct contradiction to the recommendations of the Economic Council of Canada, that the Canadian tariff structure be reduced beyond the scope of the present Kennedy round commitments.

This article refers to effective protection and the degree to which Canadian producers could keep prices high without foreign competition. The article suggests that the impact on Canadian prices is expected to be very slight. I should say that this must be considered within the framework of the accelerated reduction of tariffs proposed by the council as one way of dealing with persistent prices which cause increased costs. The Economic Council of Canada made a special review of the Kennedy round agreements and suggested they afforded very little protection. Certainly the government did not follow its recommendations with regard to meeting the high cost of living, and the high prices that Canada is experiencing at this time.

• (9:50 p.m.)

If Canada is to have a strong economy both in terms of its productive strength and financial structure, we must have a free trade policy. This free trade policy must be determined by our monetary policies, our trade policies and the industrial structure under which we operate in this country. Referring first to our monetary policies, one finds some restrictions imposed on us by reason of our fixed exchange rate policies and our foreign exchange reserves, which at the moment must be in the neighbourhood of $2.55 billion. When I set forth the proposition that we must take a new look at our fixed exchange rate policy and our foreign exchange reserves, members of the government will say: Here is

a New Democrat setting forth one of their wild-eyed theories.

I tell the parliamentary secretary that I am going to read to him the words of the Postmaster General in a book called "The Nation Keepers". The Postmaster General wrote an article in that book entitled "Foreign Guide Lines and Canada's Economic Future", and on page 214 of that book he says this:

If Canada pursues an aggressive free trade policy it is obvious that our fixed exchange rate policy will not work. We will have to go through so many fundamental changes in industrial organization that only a freely moving rate will be able to adjust to the productive process and measure our success or failure in achieving our aims. As J. E. Meade has written, there is no choice for free traders. "Free trade and fixed exchange rates are incompatible in the modern world." This is particularly true for a Canada which depends on trade, has a heavily protected manufacturing industry, and is much affected by the slightest changes in the economic policy of its neighbour. Freer trade will bring a more efficient use of our resources and expand our possibilities of growth, but these changes cannot possibly work their way through the economy within the constraints of a fixed rate.

The basic argument for fixed exchange rates is to protect the Canadian businessman from fluctuations in the value of the dollar. With a fixed rate he can plan; he knows what the costs of imported tools and machinery will be; he can measure precisely the net receipts from his exports. But why should the businessman be protected from risk and change? Is it not precisely the function of entrepreneurs and innovators to take advantage of economic change to control and direct the forces of change? By protecting the Canadian businessman from change, whether by tariffs or fixed exchange rates, we content ourselves with less than optimum performance and should not be surprised if our control over our economy lessens. Fixed exchange rates mean that we shape the Canadian economy to maintain an external equilibrium. For example, we are presently committed not only to maintain a fixed rate of exchange for the Canadian dollar but also a fixed ceiling to the amount of our exchange reserves. Our efforts, then, to employ more fully our human and material resources, including the 300,000 new jobs that we must find each year, must be circumscribed by these commitments. Exchange rates, which should adjust to the productive process, control and order our affairs. The whole weight of our economic policy is brought to bear on marginal problems, the problems of stabilizing a rate of exchange or maintaining rates of interest to control capital flows. We are forced to ignore the fundamental problems of growth and employment. Our balance on current account is approximately 2 per cent of our gross national product, and one would normally consider that economic policy directed to the composition and growth of G.N.P. would yield more satisfactory results than policies which have the effect of containing G.N.P. for the sake of maintaining a given balance in international payments.

These are the views of the Postmaster General with regard to the fixed exchange rate and foreign exchange reserves. One notes with satisfaction that the chairman of the Royal Bank of Canada, Mr. W. Earl McLaughlin, stated in today's *Globe and Mail* the same proposition, namely that Canada is hamstrung in its trade policies by reason of the fixed exchange rate and foreign exchange reserves. This is the first restriction that has been imposed upon us with regard to developing a free trade policy in Canada.

The second restriction is with regard to the industrial structure of the Canadian economy. This is why the problem of foreign ownership is so important to all Canadians. This is why the government sent forth the task force to study foreign ownership and the structure of the Canadian economy. Foreign investment in Canada as of 1964 amounted to $27 billion. As of now it is probably closer to $35 billion. Of that $27 billion in 1964, 80 per cent was American investment, 12 per cent investment of the United Kingdom and the balance that of other countries.

When one considers the Canadian economy, and more particularly automobiles, automobile parts and rubber products, being controlled by American investment to the extent of 97 per cent, chemical products of Canada being controlled by American investment to the extent of 78 per cent, and electrical parts and apparatus to the extent of 77 per cent, he can appreciate the magnitude of this problem.

Mr. Chairman, may I call it ten o'clock?

Progress reported.

BUSINESS OF THE HOUSE

Mr. Macdonald (Rosedale): Mr. Speaker, before we proceed perhaps I could refer to the business for tomorrow. We will be in committee of supply again. The first estimates we will be considering will be those of Mr. Speaker, on legislation. They will be followed by the estimates of the Department of Transport.

PROCEEDINGS ON ADJOURNMENT MOTION

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

ROYAL CANADIAN MOUNTED POLICE—REPORTED CRITICISM BY MANITOBA SUPREME COURT JUDGE

Mr. David Orlikow (Winnipeg North): Mr. Speaker, on October 28 I directed a question to the Solicitor General (Mr. McIlraith). My

question arose from a decision rendered in the appeal court of Manitoba by Mr. Justice Freedman in a case in which a man, a citizen of Winnipeg, had been convicted of theft. In dismissing the case Mr. Justice Freedman expressed very serious criticisms of the handling of the case by the R.C.M.P. officers involved in making the arrest.

• (10:00 p.m.)

I have always believed that in Canada we should follow the procedures which have been established in the United States by the supreme court of that country, under which any person accused of a crime has the right to counsel, not just at the time of his trial but at the time of his being questioned by the police. Canadian courts have never followed this procedure although it is a pretty well established principle of British justice that a person who wishes to have counsel is entitled to have it. In the case to which I refer the person accused of theft told the R.C.M.P. officer that he wished to have counsel present when he was questioned. He was on the telephone with his lawyer. The R.C.M.P. officer took the telephone away from him, spoke to his lawyer and told him that he would not delay the questioning of the accused until the lawyer got there.

I want to quote briefly, because I think it is important, from the judgment given by Mr. Justice Freedman, which reads as follows:

> The facts surrounding this aspect of the case are disturbing to anyone who prizes the rights of individual liberty in a free society. Among these is assuredly the right, on being arrested or detained, to retain and instruct counsel without delay. This is a right enshrined in English common law, vindicated by many judicial decisions of high authority and clearly and unmistakably affirmed in the Canadian Bill of Rights...

Mr. Justice Freedman goes on to give the facts of the case and to quote from the statement made by the accused and by the lawyer of the accused in which the lawyer, Mr. Brock, said, among other things:

> I told Constable Taylor that I wanted to advise Ballegeer not to make a statement until I could talk to him but Taylor refused. I asked Taylor to relay my advice to Ballegeer but he said he would not do so.

The judge goes on to say:

> Here is a spectacle of a police officer wilfully, and alas successfully, frustrating the due process of law. What the constable did was wrong and unjustifiable, and his conduct cannot receive the sanction of the court.

I want to conclude by saying that I am concerned about this case. It seems to me that the Solicitor General (Mr. McIlraith) has the responsibility not only of investigating what happened in this case but in making certain that the R.C.M.P. officers, not just the constables doing the work but the R.C.M.P. officials at the top, understand that citizens have rights and that the law gives them rights, so that the R.C.M.P. like any other agency of government, must live by the laws and rules which we have established.

It seems to me that this is an extremely important case and one which the Solicitor General should take steps immediately to clear up in no uncertain manner.

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I should like to tell the hon. member on behalf of the Solicitor General, who is away on official business and could not be here tonight, that we have taken note of his remarks. The judge on the appeal, however, has ordered a new trial, and under the circumstances the case is sub judice. Accordingly, no comment can be made thereon.

HUMAN RIGHTS—REQUEST FOR NON-DISCRIMINATION POLICY IN NORTHERN DEVELOPMENT PROJECTS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, on October 29 I directed a question to the Minister of Indian Affairs and Northern Development, one which arose in my mind as a result of the refusal of the Supreme Court of Canada to hear again the case of Terrence John Whitfield *v.* Canadian Marconi Company.

These events took place some years ago. Mr. Whitfield was an employee of the Canadian Marconi Company working on the DEW line; and Marconi was fulfilling a contract for the federal government on that line. One of the conditions of employment which Mr. Whitfield signed was a condition which I do not understand, and certainly could not possibly justify. This is a condition which all employees were required to sign, namely that there would be no fraternization between any of the employees who came from southern Canada and the native population.

Mr. Whitfield, being a young man, and human, became interested in a young Eskimo lady named Ann Witaltuk. Despite the provision of the contract he had signed, he became friendly with her. I have an affidavit signed by the young lady which indicates that on one occasion she accompanied him to a social affair at the officers' mess at the R.C.A.F. station at Whale River. In order to gain entry to

the officers' mess it was necessary to pass through a guardhouse leading to the works project. Miss Witaltuk recalls that the guard acting for the Canadian Marconi Company, at first stopped her from entering. Indeed he stopped both Mr. Whitfield and the young lady, saying he had instructions not to allow Eskimos to enter.

To cut a long story short, Mr. Whitfield was discharged. He subsequently sued the Marconi Company and his case was dismissed. I am not going to discuss what happened, except to say that it seems to be inconceivable that the government of Canada, which was enacted a Bill of Rights, a government which has passed the Fair Employment Practices Act, at a time when most provinces have passed a fair accommodation practices act, all of which certainly enunciate one simple principle that the people of this country are opposed to discrimination on the basis of race, colour or creed, should accept this situation.

I am not trying to rehash the Whitfield case. Surely, if we believe that we cannot condone the kind of thing which happened in the Whitfield case, then I should like the minister to adopt a very simple principle, that wherever the government does business with a company, whether it is giving a contract to a company, whether the company is doing work for the government or whether the government is giving a concession for mining, oil exploration or lumbering operations, the government should make it a condition of the contract with the company that there shall be no discrimination on the job or off the job in any way at all.

It seems to me I am making a very simple suggestion, and I can see no reason why this or any other government of Canada, in the light of the opinion about discrimination, should not agree to it.

Hon. Robert K. Andras (Minister without Portfolio): Concern about discrimination has been expressed by several hon. members for many years, but more particularly recently by the hon. member for the Northwest Territories (Mr. Orange), the hon. member for Hamilton West (Mr. Alexander) and the hon. member for Winnipeg North (Mr. Orlikow). I appreciate the opportunity of telling hon. members some of the measures that are being taken by the Department of Indian Affairs and Northern Development; one in the form of a directive which was sent recently to departmental employees, enunciating certain policies. I do not believe time will permit the reading of the whole of it, but I will read some extracts.

I begin with the following:

• (10:10 p.m.)

> The Canadian Eskimos enjoy full citizenship, freedom, right and responsibilities as is the case with all Canadians regardless of origin, creed or colour...
>
> Government employees are expected to treat all Eskimos with whom they come into contact either by business association or socially in a manner calculated to maintain the respect we have or should have for one another in the spirit of the Canadian Bill of Rights.

It goes on to provide for investigation and for appropriate action to be taken where such policy has not been carried out by any government department.

This policy has been brought to the attention of all departmental employees recruited to work in the north. It also requires that departmental officials will bring this policy to the attention of all agencies and contractors doing work for the department in the north.

At a recent meeting of the advisory committee on northern development it was confirmed by all government departments involved that they will accept this policy, and it was subsequently confirmed formally that they were administering this policy vigorously with respect to any contractors within their area of jurisdiction. The policy embodied in that directive—which, as I say, I could not read in toto since time does not permit—was brought to the attention of the United States government and is now incorporated in the terms of the agreement administered by contractors on the DEW line system.

I would also refer to the statement made by the Minister of Labour on November 6, as reported at page 2470 of *Hansard*. With regard to the employment practices of the Northern Canada Power Commission I refer to the statement made by the deputy minister in his capacity as chairman of the commission, before the standing committee on Indian Affairs and Northern Development on November 5, page 3.

CANADIAN BROADCASTING CORPORATION—"THE WAY IT IS"

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my appearance this evening arises from the program "The Way It Is" on C.B.C. television two days before the United States election, an election, sir, that I suggest was the cause of great anxiety not only to

Americans but to the friends of Americans, including ourselves.

Part of the program that evening was a journalistic essay called "Listen, America" created by a cameraman named Yves Delaurot. It dealt with black power, with riots, with police brutality. It showed a burning Buddhist monk; it dealt with marijuana; and one scene showed many naked hippies at a love-in. Some of it, as Patrick Watson stated, was staged; but he did not indicate which portions were indeed so staged. Technically, I think it was well produced and the camera work was superb.

However, Mr. Speaker, I say of the show that its timing was poor. I say of this show that its theme was entirely one-sided and biased. Canadian Broadcasting Corporation employees in Ottawa have told me that it was obviously put into the program by an anti-American clique in the C.B.C. in Toronto.

I say of the show, Mr. Speaker, that its presentation was in the tradition of cheap journalism of the kind that would make the editors of *Hush* and *Flash* sit up and say: "I wish we could get away with that, but the police and the Postmaster General would not let us". I also say, Mr. Speaker, that part of this show was a play for perverts who rejoice in sadism. I say that part of the show was for those who like irregular sexual practices and obscenity.

I suppose, Mr. Speaker, that I will be met with some kind of argument to this effect: Well, after all, we must have freedom of expression. I do not have the right in our free society to go forth into the town square and shout four letter words. I do not have the right in our free society to throw ordure at another person.

But above and beyond the sheer lack of taste displayed in that particular program, or at least in that particular segment of it, I would say this, Mr. Speaker. We have had experience in parliament of dealing with the management of the C.B.C. We all recall the famed expression of a former minister who said the C.B.C. had "rotten management". We have had the "Seven Days" hearings. We have had hearings ad infinitum and ad nauseam in the time I have been in parliament and before. Yet, Mr. Speaker, no cure has been effected.

It is still obvious that there is no direct link between upper management and management at the level which would put this sort of trash on a television program. There is no effective management at the top. Who are the people who planted that journalistic essay in the program? Obviously they include some in important places, at decision-making levels, whose moral outlook is depraved and whose entire outlook is one of anarchy and nihilism. No wonder the editor of the Saint John *Times-Globe* wrote of this incident concerning, "The way it is", under the title, "The way it shouldn't be".

Mr. Robert Stanbury (Parliamentary Secretary to Secretary of State): Mr. Speaker, officials of the C.R.T.C. informed me that comments have been received about the program referred to by the hon. member. I know he understands very well that under the Broadcasting Act the C.B.C. has the right and responsibility to produce its programming free of government interference, and subject only to the law and the regulations of the C.R.T.C. I might mention, as the hon. member will know if he saw the program, that the film which he spoke about was clearly identified and introduced as a biased and one-sided presentation, and not a documentary, of certain issues confronting the United States of America.

I offer no judgment about the merits of the program. I invite the hon. member and others who are interested in it to express views to the C.R.T.C. and the C.B.C. in the matter.

Motion agreed to and the house adjourned at 10.30 p.m.

HOUSE OF COMMONS

Friday, November 15, 1968

The house met at 11 a.m.

SUPPLEMENTARY ESTIMATES, 1968-69

A message from His Excellency the Governor General transmitting supplementary estimates for the financial year ending March 31, 1969, was presented by Hon. C. M. Drury (President of the Treasury Board), read by Mr. Speaker to the house, and referred to the committee of supply.

TRADE

WHEAT—ANNOUNCEMENT OF SALE TO COMMUNIST CHINA

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I am pleased to inform hon. members that the Canadian Wheat Board, following negotiations in Canton, has succeeded in concluding a sales contract with the People's Republic of China to provide for the export of 1.5 million long tons, 5 per cent more or less, of wheat to be shipped between December 1968 and July 1969 principally from Pacific coast ports.

This contract is under the provisions of the third long term agreement with China and consists of No. 4 northern and No. 5 wheat and limited quantities of Garnet and winter wheat.

Assuming that full tolerance is taken, the sale amounts to 58.5 million bushels.

Including the contract covered by this announcement, total sales under the third long term agreement amount to 6.3 million tons or approximately 235 million bushels. The long term agreement provides for a minimum of 168 million bushels and a maximum of 280 million bushels over the three year period commencing August 1, 1966, with the amounts for each year to be negotiated separately.

As in the previous contracts, payment terms for sales under the long term agreement are 25 per cent cash when each vessel is loaded, and the balance of 75 per cent in 18 months with interest. The deferred payment provision is made possible by a guarantee to the Canadian Wheat Board by the government of Canada.

I extend to the Canadian Wheat Board my sincere congratulations on this successful sales effort.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I am happy to hear the announcement by the Minister of Industry, Trade and Commerce, who I believe has just returned from South America and I welcome him back. I think all hon. members would join me in saying we are very happy to hear that a new deal has been made with China. I think it should be emphasized and understood that, to quote from the statement of the minister which I received a second ago, the deal, including the contract covered by this announcement involves total sales under the third long term agreement amounting to 6.3 million tons or approximately 235 million bushels spread over a period of three years. So, if I understood the minister correctly, the contract provides for a maximum sale of 280 million bushels spread over a period of three years. Is that correct?

Mr. Pepin: Yes, Mr. Speaker.

Mr. Speaker: Order, please. The hon. member must make his statement. This is not the question period.

Mr. Woolliams: I appreciate that, Mr. Speaker, but I did not want to misquote the minister. However, I believe what I said is correct. One thing I should like to say is that I am very happy that the deal was made, because the government is now following the policy which was established by a previous government. There has been a lot of discussion—

• (11:10 a.m.)

Some hon. Members: Oh, oh.

Mr. Woolliams: There has been a lot of discussion with regard to the selling of grain to the communist countries. It was not so much a question of selling grain as it was a question of supplying credit to communist China. I am quite surprised to find that members opposite are endeavouring to shout me down when I am replying to a statement of this nature which is so important to western farmers. I want to repeat that the sales of grain to communist countries resulted from

credit being made available by the former Conservative government. This practice has now been adopted by the Liberal government, although the Liberals criticized it at the time, and that has permitted this deal to be consummated. I want to congratulate the government and the minister for that.

There is one other point I should like to mention in connection with the statement that was made today. At the present time western farmers are in need of cash. There is a shortage of box cars at all elevator points in western Canada. If these box cars could be supplied the farmers could deliver cash crops other than wheat, thus obtaining much needed cash. I trust that the Minister of Industry, Trade and Commerce, now that the wheat board has consummated the deal, will have a discussion with the Minister of Transport with a view to making box cars available at the various elevator points in Saskatchewan and Alberta so that cash crops can be delivered and cash put into the hands of the farmers to assist them in this particularly difficult time which results from difficult climatic conditions.

Mr. Hees: And Manitoba, too.

Mr. Woolliams: Yes, in Manitoba and all the other provinces. I am glad my colleague mentioned Manitoba because I was not sure they were short of box cars in that province, since most of my mail has come from Saskatchewan and Alberta.

There is one other thing I should like to mention. At the present time the farmers are on a 3 bushel quota, but they are not able to deliver that quota because of this problem in connection with box cars. This is a situation which seems to arise every fall. I trust that now it has been brought to the attention of the Minister of Transport he will have discussions with the Minister of Industry, Trade and Commerce, the wheat board and the railway companies, with a view to remedying this situation immediately.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, certainly the farmers in western Canada will be happy to hear this news. It means that we will have continuing sales to China, and will give the farmers hope that these sales will increase. I hope these sales will help the government to increase its efforts in moving toward recognition of the Peoples' Republic of China so that our trading position can be made more normal, and so we can look toward an expansion of trade with that country. If we hope to have an expansion of trade we will have to move toward making our relations with that country more normal for the people with whom we are expecting to do business.

I should point out at this time that the situation in western Canada is serious with regard to the sale and movement of grain. I just returned from there yesterday and the farmers who are threshing flax cannot get it into the dryers. If damp flax is not dried properly it will spoil in a very short period of time. In the area where I farm, between Rosetown and Biggar, the information I was given was that at both points, which are heavy delivery points, although there is a 3 bushel quota for shipping out damp grain the cars are just not available to move the grain out, and the elevators are filling up with out of condition grain which cannot be moved. I suggest there is not much point in having a quota if you cannot move the product. This is part of the whole picture, a very important part, and every effort has to be made to solve the problem.

Again I congratulate the minister and the government on being able to announce this sale. But let us not think, Mr. Speaker, that we have solved the problem, because we have not; the problem is still there.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, the minister says that he wishes to congratulate warmly the Canadian Wheat Board on having successfully made such a wonderful sale.

I do believe that this sale will help the western wheat farmer. It is important to note that the sale is for No. 4 and No. 5 northern wheat. The farmers will undoubtedly have to produce higher quality wheat while receiving a price for lower quality wheat.

Mr. Speaker, it is all very well to say that the Canadian Wheat Board made a fine sale, but I should also like to know at what price we have sold this wheat. Have we sold it at a loss? I am in the automobile business, and if a car sells for $5,000, I know I could double or triple my sales by selling the car at half-price. I could then say that these are fine sales, but they would certainly not be profitable.

The minister still takes great care not to tell us for what price that wheat was sold. Will the government again have to pay subsidies to make up the difference between the

price paid by China and the cost price to western farmers?

In any event, we have to dispose of this wheat, but not at a loss. Indeed, we should be able to dispose of it, because Canada is recognized throughout the world as the country that produces wheat of just about the best quality. In such circumstances, a good salesman sells the quality of his product and manages to operate not at a loss but at a profit; so, we should be able to find a way for the producers and the Canadian people to benefit therefrom.

[*English*]

PARLIAMENTARY SECRETARIES ACT

AMENDMENT TO DISCONTINUE ADDITIONAL PAYMENT

Mr. Frank Howard (Skeena) moved for leave to introduce Bill No. C-129, to amend the Parliamentary Secretaries Act (fructus aequitur labori).

Some hon. Members: Explain.

Mr. Howard: Mr. Speaker, the Latin you have just read, *fructus aequitur labori*, indicates the essence of the bill. That phrase means "Let the remuneration equal the work." Our parliamentary secretaries have had some of their functions restricted by the Prime Minister's announcement that we are to have a system of ministers, acting ministers and second acting ministers. As a consequence the position of parliamentary secretary becomes more honorary than actual. The position of committee chairman is far more exacting. I therefore submit that we now ought to remove from the Parliamentary Secretaries Act the provision that there shall be paid an additional $4,000 per annum to parliamentary secretaries.

Motion agreed to and bill read the first time.

NATIONAL DEFENCE

NATO—REPORTED STATEMENT AS TO CANADIAN COMMITMENT

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, will the Prime Minister say whether the Minister of National Defence was stating government policy when he said, as reported from Brussels, that Canada will maintain at present strength Canadian forces in Europe assigned to NATO and defer indefinitely the reduction in size of our Canadian European air division?

Right Hon. P.-E. Trudeau (Prime Minister): On the first part, Mr. Speaker, the answer is yes. On the second part, I do not know if the minister used the word "indefinitely". I doubt whether he did. If he did he meant "for a non-definite period" which might be short or long.

Mr. Stanfield: A supplementary question, Mr. Speaker. Did the Prime Minister commit Canada to assign to NATO four modern antisubmarine destroyers equipped with helicopters?

Mr. Trudeau: Mr. Speaker, the explanation is that these ships have been commissioned for quite a while. This is not a new assignment. As the house knows, under an arrangement with NATO these ships, built for the Canadian navy, are assigned automatically to NATO. This is not a new commitment; it is something which was decided by a previous government. It is merely a restatement of something that was done and announced before.

Mr. Stanfield: A supplementary question, Mr. Speaker. Does this mean that this commitment is not subject to the review the government is presently conducting?

Mr. Trudeau: No, Mr. Speaker. All our NATO, defence and external policies in the area I have indicated are under review, including this one. These particular ships involve commitments which have been made before. There is nothing new here. The Minister of National Defence has announced that we are not going to decide to cut back on those orders until we decide it is necessary, if that is the case, as a result of our review.

Mr. Stanfield: A further supplementary question, Mr. Speaker. Am I to judge then, from what the Prime Minister has said, that this is not actually a commitment that has been made to NATO but something that is subject to review.

Mr. Trudeau: It is not a new commitment, Mr. Speaker. That is what the conclusion is.

Mr. Stanfield: A supplementary question. I just want a simple answer if I can get it, Mr. Speaker. Does the government regard itself as having committed itself to providing these ships to NATO?

Mr. Trudeau: My answer could not be more simple. We have a certain number of commitments with NATO—land troops, air troops and ships—which have been made in the

past, and the position of our delegation is that we are not drastically reducing or increasing these—

Mr. Diefenbaker: "Drastically".

Mr. Trudeau: —until the review has been finished.

Mr. Harold E. Winch (Vancouver East): Can I ask the Prime Minister to clarify the situation at this point? We gather from the press that there is an additional commitment of four ASW destroyers with helicopters. Does this mean the conversion of ships which are already under NATO command, or does it mean the new ones which were let by contract this year and which will not be ready for two or three years?

Mr. Trudeau: No, this is not a new commitment. These are ships which are under construction, or whose construction is to begin. The commitment has been made previously.

Mr. Forrestall: Get yourself straightened out.

Mr. Trudeau: Perhaps you can help me.

Mr. Forrestall: Anyone who knows what is going on in the maritime command could help you.

Mr. Speaker: Order.

Mr. Winch: I certainly understand now why there is uncertainty with regard to this question, because now is confusion compounded. The Prime Minister has said that these are vessels now on order or under construction. They will not be available for three years. Does this mean that the review is over and that we are now committed three years ahead to the extent of four new ASW destroyers?

Mr. Trudeau: Of course not, no more than the troops or aircraft which are there now commit us for four years ahead. We can withdraw from NATO during the course of 1969 if we so decide; and the ships which have been committed to NATO, as in the case of the ground troops or the air troops, will follow the policy decision which is then made.

An hon. Member: Like medicare.

Mr. Benson: Did you vote against it?

Mr. Winch: Will the right hon. Prime Minister explain whether the information in the newspapers is correct that this is for one year only, and if so, what is the meaning of an additional four ASW in the next year?

Mr. Trudeau: It is not additional to any commitment which has been made previously, Mr. Speaker. It is a repetition of commitments already existing.

Mr. Stanfield: I was about to ask the Prime Minister, in view of the answer he has not given me, whether it is the view of this government that the minister of national defence in Britain was correct in saying that all members of NATO except France and Iceland had increased their commitments to NATO.

Mr. Trudeau: No, Mr. Speaker, that is not correct.

Hon. D. S. Harkness (Calgary Centre): I should like to ask the Prime Minister whether these four destroyer escorts are not simply replacements for other ships which have become obsolete and have been taken out of commission. Are they not designed really to restore our commitment to NATO rather than to increase it?

Mr. Trudeau: I cannot give the answer to that, Mr. Speaker. I do know, once again, that these new ships are part of a previous commitment. They may be to replace former ships and they may be an addition which was agreed to in the past and to which we are committed.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, in view of the precise confusion that has been created as a result of the statement today by the Prime Minister and the anomalous statement that was made yesterday by the Minister of National Defence in Paris, would the Prime Minister agree to set aside a day on the return of the minister so that we in this house could find out once and for all which direction the government is going, if any?

Some hon. Members: Hear, hear.

Mr. Trudeau: Well, Mr. Speaker, I can see there is some confusion in the mind of my right hon. friend when he talks about Paris. He should know that NATO moved from Paris to Brussels.

Some hon. Members: Hear, hear.

Mr. Trudeau: But, Mr. Speaker, with respect to a debate proper we can of course call the estimates—

Mr. Nesbitt: You didn't even know we hadn't an embassy in Taiwan.

Mr. Trudeau: —we could call the estimates covering that subject next week, if that is the arrangement among the house leaders.

Mr. Diefenbaker: Mr. Speaker, I should mention that a slip of the tongue is something that never happens to the Prime Minister.

Mr. Ed Schreyer (Selkirk): Mr. Speaker, my question to the Prime Minister arises from this morning's news reports that the NATO defence committee has proposed demonstrative nuclear explosions. I would like to ask the Prime Minister whether this kind of strange proposition has the concurrence of the Canadian government.

Mr. Trudeau: I must confess, Mr. Speaker, that I did not understand the context of these strange nuclear explosions.

Mr. Schreyer: Mr. Speaker, I think the question is important enough to bear repetition. This morning's news reports indicate that the NATO defence committee has proposed that there be, and I quote, "demonstrative nuclear explosions" within the territory under NATO command. Has this kind of proposition the concurrence of the Canadian government?

Mr. Trudeau: Mr. Speaker, I cannot take issue with this because I know of no such decision by NATO. I have grave reasons to doubt that any such statement has in fact been made. I shall inquire.

Mr. Stanfield: As a supplementary question, Mr. Speaker, would the Prime Minister not agree that perhaps the Canadian people would be justified in feeling there are two policies of the government, one adopted in presentations to NATO and one adopted by the Prime Minister when speaking in this country?

Some hon. Members: Hear, hear.

Mr. Speaker: I have the impression that the question is argumentative.

Mr. Diefenbaker: It is a Janus policy.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, may I ask the Prime Minister a question arising out of his statement today. Has the Canadian government made any new commitments with respect to NATO? He talked about past commitments, and fulfilling them. Are there any new commitments over and above those already made?

Mr. Trudeau: In the context of the discussions of NATO there have been no new commitments but, as concerns our relations with communist countries, we have increased our wheat sales.

[*Later:*]

Mr. Winch: Mr. Speaker, may I direct a question to the Prime Minister. I do so in view of his acceptance of responsibility in regard to standing committees. In view of the fact that the defence estimates have now been referred to the standing committee on external affairs and defence, and in view of the importance of the recent NATO meeting, would the Prime Minister take under consideration, on the return of the Secretary of State for External Affairs and the Minister of National Defence, their reporting to the standing committee in order to bring it up to date on any governmental commitments made at the recent NATO meeting?

Mr. Trudeau: Mr. Speaker, I am told that the estimates are in the standing committee now, and hon. members can address the questions they wish to the ministers.

Mr. Winch: A supplementary question, Mr. Speaker. The estimates are before us, but it requires the consent of the Prime Minister and of the ministers to have them appear before us on this matter. I am asking whether the Prime Minister will take under advisement recommending to his ministers that they appear before our committee and bring the committee up to date.

Mr. Trudeau: I will take it under advisement, Mr. Speaker.

[*Translation*]

TRADE

WHEAT—ANNOUNCEMENT OF SALE TO COMMUNIST CHINA

On the orders of the day:

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I will change the subject somewhat, but before asking my question I wish to raise a point of order.

For over 15 minutes now supplementary questions have been allowed, which means that an hon. member or the Leader of the Opposition (Mr. Stanfield) have been able to ask seven or eight supplementary questions, when other hon. members who wish to ask questions cannot do so. Since the question

period is limited to 40 minutes today, I think that we should be given a chance to ask questions not only about NATO but about other matters as well, and it seems to me that some hon. members should limit the number of their supplementary questions.

Some hon. Members: Hear, hear.

Mr. Caouette: I now come to my question, which is not a supplementary question. The Minister of Industry, Trade and Commerce informed us this morning of a very interesting sale of wheat to China and I would like to ask him whether he could exert some pressure so that the surplus of a million pounds of Beauce maple syrup might be exported, even to China, if the Chinese want to eat good maple syrup?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, the maple syrup situation in that area is somewhat difficult due to circumstances which the hon. member for Témiscamingue knows very well. There have been difficulties, and a certain quantity of maple syrup has to be reconditioned. I am assured that this product will be offered for sale afterwards.

[*English*]

LABOUR CONDITIONS

INQUIRY AS TO STEPS TO MEET UNEMPLOYMENT SITUATION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister which is based on a report compiled by the Dominion Bureau of Statistics and the Department of Manpower and Immigration to the effect that unemployment in October reached the level of 3.6 per cent or a seasonally adjusted rate of 5.1 per cent. In view of the fact that even the lower of these two figures is above what has been considered an acceptable level, and in view of the menace of this kind of thing to our society, can the Prime Minister say what steps the government is taking or what stepped up programs it is undertaking to combat unemployment in this country?

Mr. Speaker: I am sure the hon. member knows that from time to time I have taken exception to questions which would require ministers to answer in a rather lengthy way. The difficulty I have always had is not so much regarding the question but regarding the answer. When hon. members ask general questions they receive lengthy answers which consume five or ten minutes, and members will complain that the question period is being taken up with lengthy answers. I think questions which invite policy statements should be limited to asking a minister whether he proposes to make a statement on motions. I would hope the hon. member for Winnipeg North Centre could ask his question along those lines.

Mr. Knowles (Winnipeg North Centre): I would be glad to ask it that way, Mr. Speaker. In view of the urgency of this matter will the Prime Minister say that an early statement will be made to indicate what stepped up programs the government is undertaking to combat unemployment?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, we had quite lengthy statements on this matter during the budget debate, and we will have a chance to make others on the estimates next week. As you prophesy, I could make a lengthy answer to this question to indicate that this increase in labour force unemployment is due to many factors, and to indicate what we are doing. Actually, Mr. Speaker, I have a lengthy answer here.

Mr. Knowles (Winnipeg North Centre): In view of the urgency of this matter I wonder would the house agree to let the Prime Minister return to motions and give us this statement today.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Some members agree, others don't, so we will go on to the next question.

Mr. Knowles (Winnipeg North Centre): Who are the others?

HARBOURS

INQUIRY AS TO COMPLETION OF DECENTRALIZATION STUDY

On the orders of the day:

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, in the absence of my colleague the hon. member for Annapolis Valley (Mr. Nowlan) I wish to direct this question to the Minister of Transport. Has the decentralization study of the National Harbours Board, mentioned by the Minister of Transport when he was in Vancouver recently, been completed? If not, when will it be?

Hon. Paul Hellyer (Minister of Transport): First of all, Mr. Speaker, I should make it clear that this is not a study by the National

Harbours Board. It is a study which was done by a group of officials from the department and from the Canadian Transportation Commission, and with an input from the National Harbours Board, acting independently. The answer is that the report is completed. The hon. gentleman will be pleased to know that this is at least two or three weeks ahead of schedule, which I think is very commendable with respect to the gentlemen who were involved in it. I am hoping to read it over the week end and then perhaps to recommend it to the consideration of the standing committee on transport. This is something I would like to think about over the week end and then report to the hon. gentleman.

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I should like to ask the minister how the gentlemen from the department to whom he refers can act independently. If they have, have they done so at their own expense or has the department underwritten that expense?

Mr. Hellyer: They were directed to put into the report their own views without consideration for present departmental policies, past departmental policies or what they might believe to be future departmental policies. They were in that sense acting independently. The reason for this of course was so we would have their unrestricted personal views after looking at the evidence placed before them as a basis for consideration concerning what might be the best policy for the future.

Mr. MacInnis (Cape Breton-East Richmond): Can the minister explain how they can be directed and act independently at the same time.

OFFICIAL LANGUAGES

SUGGESTED REFERENCE OF LEGISLATION TO SUPREME COURT

On the orders of the day:

Mr. Walter Deakon (High Park): Mr. Speaker, my question will be short and I think the answer likewise will be short. The question I wish to pose is directed to the right hon. Prime Minister. Will he refer the official languages bill to the Supreme Court of Canada for a ruling concerning its validity before proceeding further with it in this house, in view of the submissions made to him by J. T. Thorson, former president of the Exchequer Court of Canada?

Right Hon. P.-E. Trudeau (Prime Minister): I have referred this letter to the Minister of Justice. If the hon. member will take note of a certain system that was instituted a little while ago he will realize that the Minister of Justice will be in the house on Monday.

TRANSPORT

HALIFAX—FEDERAL ASSISTANCE IN PROVISION OF CONTAINER SERVICE

On the orders of the day:

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I should like to direct a question to the Minister of Transport and say how happy we are to have him in the house two days in a row. We are very complimented indeed.

Is the government giving consideration to assisting the province of Nova Scotia and the port of Halifax in their plans to provide a first class through freight container service from overseas ports to the centre of this continent?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, it is anticipated that the estimates of the Department of Transport will be called later today. I think this might be a better time to discuss something as interesting and important as the future of containerization.

Mr. Hees: Mr. Speaker, I simply asked the minister whether the government is giving consideration to this. All I require is a yes or no answer. It will not take more than two seconds.

Mr. J. M. Forrestall (Dartmouth-Halifax): I have a supplementary question for the minister, Mr. Speaker. I wonder whether he could assure the house that he will make some sensible statement when the estimates are introduced and in that statement refer in some depth to the containerization program.

Mr. Speaker: Order. I do feel that this question should be asked when we are in committee.

RETURN OF CANADIAN BOX CARS FROM U.S.

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. Mention already has been made of the fact that even though the quota is only 3 bushels to the acre there is a terrific shortage of box cars. I should like to ask the minister

whether he would today communicate with officials of the C.N.R. and the C.P.R. and ask them to do their part in bringing back from the United States the very considerable number of box cars which are in that country and which belong to the Canadian railways, so they could be used at this time for the purpose of moving wheat.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I have never been able to refuse anything to my right hon. friend. This afternoon I will phone the officials of the railways and the Canadian Wheat Board to make sure that his request is given attention.

[*Later:*]

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I would like to ask the Minister of Industry, Trade and Commerce a question supplementary to the one asked by the right hon. member for Prince Albert. When the minister is in touch with the railway companies would he ask them to do their best to supply box cars to areas in the northern part of Alberta, where the situation is desperate, and in doing so hopefully compensate for the failure of the government to provide early passage of the farm credit legislation and fix the interest rates under that legislation?

Mr. Speaker: Order, please.

ADDITIONAL FERRIES ON BORDEN-TORMENTINE SERVICE

On the orders of the day:

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I have a question for the Minister of Transport. Can the minister advise the house whether his department is in the process of acquiring two additional ferries for use on the Borden-Tormentine service?

Hon. Paul Hellyer (Minister of Transport): I do not think I am in a position to advise the hon. member in this regard, Mr. Speaker. As my hon. friend knows, the whole subject of transportation to and from the island is under very active consideration. I think it might only complicate or confuse the issue even further than it is at the moment if I were to answer part of the question without answering many other questions.

[Mr. Diefenbaker.]

HIGHWAY SAFETY

INQUIRY AS TO ESTABLISHMENT OF PUBLIC ADVISORY BOARD

On the orders of the day:

Mr. Barry Mather (Surrey): Mr. Speaker, I have a question for the Minister of Transport. It has to do with the ever increasing toll of traffic accidents. Are talks under way between the federal and provincial authorities concerning the setting up of the public safety board which was announced in this field about this time last year?

Mr. Speaker: I have some doubt whether the question is of sufficient urgency to warrant it being asked at this time, but I shall allow the minister to reply.

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I asked the chairman of the meeting which I believe was held in Regina a few days ago to place this on the agenda. I have not had an opportunity as yet to obtain information concerning the results of their consideration. I will try to do that and have the information available for my hon. friend this afternoon.

[*Translation*]

AIRPORTS

QUEBEC—INQUIRY AS TO CONSTRUCTION IN EASTERN TOWNSHIPS

On the orders of the day:

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to put a question to the hon. Minister of Transport.

Can a decision be expected in the near future with regard to the proposed site of the international airport which, according to certain rumours, would be built in Quebec?

[*English*]

Hon. Paul Hellyer (Minister of Transport): I hope so, Mr. Speaker.

[*Translation*]

Mr. Fortin: Mr. Speaker, I have a supplementary question.

I should like to know whether certain sites which had been suggested to the government with regard to the planning of the international airport have been excluded?

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

[*English*]

EXTERNAL AFFAIRS

INQUIRY AS TO DIPLOMATIC RECOGNITION OF MAINLAND CHINA

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a question for the right hon. Prime Minister. Inasmuch as Canada has just concluded a new wheat sale to communist China, will Canada now consider the immediate establishment of diplomatic relations with that country?

Right Hon. P.-E. Trudeau (Prime Minister): The subject is under consideration, Mr. Speaker, as the hon. member knows.

TRANSPORTATION

ATLANTIC PROVINCES—STUDY OF PROBLEMS BY STANDING COMMITTEE

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, this question is for the right hon. Prime Minister. Would he make arrangements so the standing committee on transport and communications may resume its interrupted hearings in the Atlantic provinces on the subject of the specialized matters that were coming before that committee in that area? I ask this question in view of the fact that the committee does not have permission to resume its hearings in that area at the present time, and because government members on that committee are making every effort to frustrate other members of the committee in making such a request.

Mr. Speaker: Order, please.

FINANCE

CONSULTATIONS RESPECTING PROPOSED SECURITIES COMMISSION

On the orders of the day:

Mr. P. V. Noble (Grey-Simcoe): Mr. Speaker, I should like to direct a question to the Minister of Finance. Is the minister giving any consideration to the formulation of a uniform set of laws governing the sale of securities in this country?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, the Minister of Consumer and Corporate Affairs is actively considering this matter. I should like to have the question directed to him.

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, two days ago I replied to a question along the same line directed to me by the hon. Leader of the Opposition.

FISHERIES

PURCHASE OF SALT COD FOR SHIPMENT TO BIAFRA

On the orders of the day:

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, this question is for the Minister of Fisheries. In view of the concern expressed by Newfoundland fishermen with regard to the very low prices being offered in the proposed purchase by his department of five million pounds of salt cod, can the minister advise whether he is aware of this situation and what steps are his department taking to ensure the payment of fair prices.

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, the answer is yes; the minister is aware of the situation. I should also like to point out that the government has taken off the hands of salt cod fishermen in Newfoundland the equivalent of roughly 20 per cent of a year's catch for delivery to the International Red Cross.

Mr. James A. McGrath (St. John's East): A supplementary question to the Minister of Fisheries. Is the government in a position to announce the setting up of a marketing board for salt codfish, as indicated yesterday in St. John's by the Minister of Defence Production?

Mr. Davis: This is an interesting proposal, Mr. Speaker, and I hope the government will be prepared to consider it. But it is not an item of government policy at the moment.

Mr. John Lundrigan (Gander-Twillingate): A supplementary question, Mr. Speaker. Could the minister tell us whether he has received any tenders for the purchase of the five million pounds of high protein food in question?

Mr. Davis: Mr. Speaker, I am sure a number of tenders have been received. The deadline, however, has been extended to November 18 to ensure that we take up all the five million pounds of fish required for Nigeria and Biafra.

Inquiries of the Ministry

TRADE

WHEAT—ANNOUNCEMENT OF SALE TO COMMUNIST CHINA

On the orders of the day:

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to direct a question to the Minister of Industry, Trade and Commerce with reference to his statement of today regarding the sale of wheat to China. Was this in reference to a former commitment or agreement, or was it a brand new deal; and if it was a new deal, how many bushels did it involve?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, it was very clearly stated in the announcement I made that the long term agreement provides for a minimum of 168 million bushels and a maximum of 280 million bushels. So this is within that agreement.

Mr. Woolliams: A supplementary question, Mr. Speaker. Then it is really under the old, existing agreement?

Mr. Pepin: Yes, sir.

GRAIN

REPORTED SALES NOT UNDER WHEAT BOARD REGULATIONS

On the orders of the day:

Mr. Ed Schreyer (Selkirk): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. On October 29 a question was taken as notice by the minister's parliamentary secretary, I believe. The question is this. What action, if any, is this government taking to investigate the persistent allegations that there is wholesale violation of Canadian Wheat Board regulations by feed mills in western Canada?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The answer was given later, Mr. Speaker, that the wheat board has been looking into this matter. As soon as I receive a report from the board, I will be glad to report to the house.

Mr. Schreyer: A supplementary question, Mr. Speaker. Inasmuch as it is now two weeks since this matter was made the subject of investigation, can the minister say whether any conclusions have been reached?

Mr. Pepin: Mr. Speaker, I had a conversation with the chairman of the wheat board yesterday on this very subject. He demonstrated without any particular effort how complicated this matter is and that it involves questions of policy. In the old days the wheat board had the right to take over the whole wheat production. Now farmers are entitled to move wheat within the province. He told me at quite some length how complicated it was to control movement between provinces. He said they were doing their best to do so. The report is being produced now, and again as soon as I have it I will report to the house and try to devise a system whereby control can be improved.

AGRICULTURE

PAYMENT OF CASH ADVANCE ON FARM STORED GRAIN

On the orders of the day:

Mr. John Burton (Regina East): Mr. Speaker, I wish to address my question to the Minister of Industry, Trade and Commerce. Have the regulations subsequent to the amendment of the Prairie Grain Advance Payments Act now been approved by cabinet, as hoped for by the minister last Wednesday; and when will cash advances be available to farmers?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): It was done last night, Mr. Speaker. The regulations are now to be signed by a number of ministers, and I am going to make sure that it is done; I am informed it has been! Consequently the wheat board will now be in a position to implement these regulations in the coming hours, or at least next week. Let us give them a chance to relax after making the wheat sales to China.

[*Translation*]

CRIMINAL CODE

PRESSURE TO PROCEED WITH AMENDING LEGISLATION

On the orders of the day:

Mr. René Matte (Champlain): Mr. Speaker, I should like to direct my question to the right hon. Prime Minister.

Are organizations exerting pressure on the government in order to promote the passing of the omnibus bill?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, some organizations are probably exerting pressure but this is done with the Minister of Justice rather than the Prime Minister.

[*English*]

PUBLIC SERVICE

SUPERANNUATED FEDERAL EMPLOYEES—REQUEST FOR INCREASED PENSIONS

On the orders of the day:

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I have a question for the Minister of Finance. Can the Minister of Finance state whether consideration of increasing pensions for superannuated civil servants has proceeded to the point where they can expect some good news before Christmas?

Hon. E. J. Benson (Minister of Finance): No, Mr. Speaker.

FISHERIES

INQUIRY AS TO PATROL BOATS IN DISTRICT 7B

On the orders of the day:

Mr. Melvin McQuaid (Cardigan): Mr. Speaker, my question is for the Minister of Fisheries. I ask the minister whether it is his intention to reduce the number of fishery patrol boats presently operating in district 7B.

Mr. Speaker: Order, please. I suggest that the question should be placed on the order paper. If there is an urgency that is not apparent to the Chair the hon. member can discuss the question at the time of adjournment.

[*Translation*]

LABOUR CONDITIONS

REINSTATEMENT OF WINTER WORKS TO RELIEVE UNEMPLOYMENT

On the orders of the day:

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

Since it was mentioned a while ago that there are 300,000 unemployed in the country, 150,000 of whom are in the province of Quebec, does the government intend to re-establish winter works in Quebec?

Right Hon. P.-E. Trudeau (Prime Minister): No, Mr. Speaker.

[*English*]

GRAIN

INQUIRY AS TO PROPOSED NATIONAL COUNCIL

On the orders of the day:

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I should like to ask the Minister of

Agriculture when he will announce the composition of the national grains council, and when he expects it to become functional.

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, the Minister of Industry, Trade and Commerce and the Minister of Agriculture hope to have all the letters from interested parties within a very few days. As soon as we have had a chance to look at the replies from interested groups in the industry I think we will be able to make an announcement about the formation of the council. I hope we will be able to make such an announcement very soon after that. I hope the council will be functional, again, very quickly after that point.

Mr. Craig Stewart (Marquette): A supplementary question to the Minister of Agriculture. Can you advise whether the agriculture ministers of the three prairie provinces have been consulted as to the formation of the grains council?

Mr. Speaker: Order, please. I have to remind the hon. member that questions should be directed to the Chair.

ADMINISTRATION OF JUSTICE

BRITISH COLUMBIA—MOUNTED POLICE PROSECUTIONS INVOLVING INDIANS

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I would like to direct a question to the minister acting for either the Minister of Justice or the Solicitor General, whichever has jurisdiction relating to human rights and the R.C.M. Police. I ask whether the attention of the government has been drawn to a recent statement by Mr. Allan Bate, a Prince George lawyer, to the effect that in court cases involving native Indian people the R.C.M. Police take sides against the native people and thus put them in the position of not being able effectively to obtain justice in the courts in that area. I ask also whether an inquiry was made into this matter.

[*Translation*]

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Justice): Mr. Speaker, I will take note of the question.

Inquiries of the Ministry

[*English*]

CANADIAN NATIONAL RAILWAYS

NEWFOUNDLAND—DISCONTINUANCE OF RAIL PASSENGER SERVICE

On the orders of the day:

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my question is directed to the Minister of Transport. Can the minister tell the house whether he has received any request for an appeal from or review of the decision of the Canadian Transport Commission permitting Canadian National Railways to discontinue its rail passenger service in Newfoundland?

Mr. Speaker: Order, please. The hon. member knows it is not sufficient at this time to merely ask whether representations have been made to or received by a minister.

Mr. Carter: Mr. Speaker, my question is directed to the Minister of Transport. In view of the strong representations made by the Newfoundland people with regard to the decision of the Canadian National Railways to abandon rail passenger service in that province, will the government reconsider the decision of the C.N.R. in this respect?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I am not sure which representations my hon. friend is referring to. There is a method of appeal which, to the best of my knowledge, has not been pursued. As I explained to the house some weeks ago, this is a problem which faces not just the people of Newfoundland but the people of Canada and not just the people of Canada but the people of other parts of the world where road and air transportation are displacing transportation of passengers by rail in many instances. In many cases there is just not sufficient traffic to justify the continuation of services.

Under the circumstances I am sure my hon. friend would agree that unless a formal appeal were launched the government would really be very reluctant to interfere in a decision which is based on providing the greatest economy to the Canadian people and the best value for the taxpayers' dollars.

Mr. Speaker: Order, please. The question period has now expired.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I wish to rise on a question of privilege. The Minister of Transport has given us a lengthy lecture and has done an excellent job of making a political speech in the house in reply to a very simple question.

Mr. Speaker: Order, please. The hon. member is asking for the floor on a question of privilege, so he must be prepared to submit a question of privilege that is genuine and in accordance with the rules of the house. The point he is making now is not a question of privilege in any possible way and I cannot allow him to continue.

I have to remind hon. members again that the question period has expired.

[*Translation*]

SUPPLY

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

The Deputy Chairman: Order. The house again in committee of supply, revised estimates of legislature for the fiscal year ending March 31, 1969. Vote No. 1 will be found on page 286 of the blue book and the details on page 288.

LEGISLATURE

The Senate—

1. Allowance in lieu of residence to the Speaker of the Senate, $3,000.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Chairman, there is not much to be said about that except that we are trying to give shape to a wish we have often expressed to increase the efficiency of parliament and enable it to do more work with the best possible results.

As hon. members know, we are planning to reform the rules of the house and the committees entrusted with those studies will report at the beginning of December. But the item under consideration deals with the assistance we have deemed appropriate to give the leaders of the opposition parties in order to make easier their task which is demanding and has to do with examining the bills as well as the measures introduced by the government.

The opposition, as we know, does not always have enough time to examine closely the legislation or bills submitted for its consideration, and that item is meant to help it in that respect.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, if the Prime Minister will forgive me, may I rise on a friendly point of order. I realize that he is about to discuss the supplementary item which was tabled this morning.

However, item No. 1 which the Chair has called deals with the allowance in lieu of residence to the Speaker of the Senate. Since we are discussing matters related to the House of Commons I wonder whether it would not be advisable to let item No. 1 stand and call the item on which the Prime Minister is speaking?

The Deputy Chairman: Order, please. It has always been the custom in the committee to have a general discussion on item No. 1.

Mr. Knowles (Winnipeg North Centre): I realize that, Mr. Chairman, but a general discussion on vote No. 1 would allow hon. members to wander all over the place, and the next member to speak could go on to another subject. If we are going to have a discussion now on the question which the Prime Minister is raising, would it not be a good idea to call the particular item which would keep the discussion to that subject matter?

Mr. Macdonald (Rosedale): I gather it would meet the convenience of certain hon. members if we could deal with that subject now. Under the rules we could deal with it in general terms under item No. 1; but if the hon. member insists, we could stand item No. 1 and call the supplementary estimates at this point.

Mr. Stanfield: This could be done by agreement, Mr. Chairman, without in any way prejudicing the rules of the house.

Mr. Knowles (Winnipeg North Centre): Yes, Mr. Chairman, so long as I am not committed to voting money for the Senate.

[*Translation*]

Mr. Trudeau: Mr. Chairman, as I said, the intent of this measure is to enable leaders of the opposition parties to avail themselves of some technical facilities, to resort to the services of economists, sociologists, jurists, and to alleviate their difficult duty in criticizing the government's legislative measures. As everyone knows, these pieces of legislation are usually excellent, so that the task of criticizing them is even more difficult. It is time that we realize the necessity of taking the utmost advantage of the time available to us.

For many decades, we have been realizing that the business of the house is ever increasing. The number of session days has had to be increased with the years, but we have now reached the limit of this possibility. It is necessary to be more efficient in the use of these days, and it is obvious that, in our parliamentary system, the opposition has an important part to play and that it is in the national interest to make public funds available to them in order that they may discharge their duty with full knowledge of the facts.

[*English*]

For these reasons we have examined a number of different methods of assisting the leaders of the opposition parties. We examined, for example, a suggestion submitted by an hon. member of an opposition party that a sum of money be allocated to each caucus based on the number of members of that caucus. This is an interesting idea. It would, of course, be very helpful to the government party because our caucus comprises a great number of members. However, we felt that the first step in the expenditure of public funds was not to assist the caucus members but to assist the leaders. As hon. members know, research facilities are already provided to the backbenchers by the parliamentary library staff. These facilities have been used frequently by a certain number of members. I feel that if the time comes when more demand is put on these research staffs we may have to consider increasing their size, but for the time being the system is working well. Backbenchers in all parties may call upon the members of the parliamentary library staff for assistance in their research and even to do some writing for them.

• (12:10 p.m.)

The intent in this particular item is to help the leaders of the parties in view of the fact that the opposition parties have a distinct role to play under our parliamentary system. We have decided to do this by allotting a substantial amount of money to the Leader of the Opposition and a lesser amount to the leaders of the other parties which are recognized under the rules and regulations of the house, that is, those parties which have more than 12 members.

The intention is, of course, not that these funds be employed for political organization or narrow partisan purposes but that they be employed directly as an aid to parliamentary work. For this reason, an agreement has been reached between myself and the Leader of the Opposition, as well as the leaders of the other parties, whereby funds would be allocated to them. Under this item research personnel will be hired by the Speaker of the house or by the clerk on the recommendation

of the leaders of these parties. It is intended that certain positions will be established. In this way there will be some minimum basis on which this house can discuss these estimates when they come up in succeeding years, and ensure that the funds are employed for this particular, agreed purpose.

I should go on to say that I have had very helpful co-operation from the Leader of the Opposition and from the leaders of the other parties. We have arrived at this plan without too much discussion. This step can be viewed as a first step in assisting the opposition parties and members of parliament generally to discharge their duties. This step, we felt, was the most urgent one and since it entails the expenditure of public funds we wanted to begin with this step before considering other methods.

I have one final word, Mr. Chairman, and that is to thank the Leader of the Opposition and the leaders of other parties for their co-operation in this matter. I should like to express the hope that the result will be, not more informed debate because the opposition debaters are always informed, but that the information will come to the fore sooner in the debate so that they will be in a position to perhaps shorten the length of time which is spent on one bill.

Mr. Stanfield: Mr. Chairman, I should like to express my appreciation to the right hon. Prime Minister for what I think we all must regard happily as a very constructive measure taken by the Prime Minister and his government to assist the opposition parties in their role which is, from year to year, growing more and more complex. I express the hope that as the opposition becomes more informed it will not follow what is sometimes the tendency of those who become full of learning, that is, to speak at even greater length. I hope this will not be the result; indeed, I am sure it will not be. It is clear, I think, that the scope of government operations is becoming broader and broader from year to year as governments, one way and another, seem to become more and more involved in more and more of the affairs of the citizen and of the community. It is clear that if the opposition parties are to meet the government in this house on anything approaching equal terms so far as information is concerned, facilities must be provided in addition to those that prevail today. The government has at its disposal, of course, an excellent public service and can also consult those who are well informed outside the ranks of the public service.

The Prime Minister referred to the excellence of the legislation and therefore the need of the opposition perhaps becoming even more urgent. He will forgive me if I say to him that in view of the various positions of the government this session I have not so far felt the need of any additional assistance of this sort, but I am sure that time will come and the assistance therefore is timely. It is obviously impossible for members of the opposition parties to be well informed on all the matters that come before the house. I would say also that it would be impossible for our caucus, for example, to be well informed simply with the assistance of the staff that we will now be able to provide. Although the provision is generous, nevertheless the staff will be small and the caucus will be unable to make itself well informed on all matters on which the government is involved, such as estimates and the various other matters the government is likely to bring before the house.

This staff must serve the leader, the caucus and the members of the caucus in their work. While members of the caucus can get assistance from the parliamentary library on matters that concern them individually, the members and the caucus are also concerned with caucus positions on matters that come before the house. This staff, therefore, in this sense must serve the caucus and serve the members of the caucus.

I say this now so there will be no possibility of misunderstanding. The Prime Minister referred to this fund and the staff being used directly in the legislative work. He, I am sure, will be among the first to recognize that if I and my caucus are to be well informed in depth on various matters about which the government is concerned we will also have to utilize well informed people outside of the house and outside of this staff because this will be a relatively small staff to be informed in depth on all matters. There will of necessity, therefore, need to be some liaison between this staff and perhaps an advisory committee outside the confines of parliament so that the staff can draw upon the informed opinions of those outside the house. I trust that this would not be regarded as a type of partisan liaison beyond the scope of the arrangement described by the Prime Minister.

The task of such a group is obviously a complex one which obviously requires a competent structure of organization. The

success of this staff will, of course, depend in particular upon the calibre of the head of the research team. As I have indicated, he will have to serve not only myself but also the caucus collectively and the caucus individually along the lines I have indicated. We will proceed as rapidly as we can but our aim, of course, will be to provide a staff high in quality, and this may take a little time.

I rise, Mr. Chairman, in particular to express my personal thanks and the thanks of this party for the constructive measures that the Prime Minister has taken in this regard.

• (12:20 p.m.)

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, *Hansard* will indicate that we are discussing an item having to do with the residence of the Speaker of the Senate, but as we are all now aware we are in fact discussing a supplementary item that was tabled this morning by the President of the Treasury Board which provides an extra sum of money for the general administration of the House of Commons, in particular that section of the administration that comes under the authority of the Clerk.

I regret very much that other commitments and responsibilities have made it impossible for the parliamentary leader of this group, the hon. member for York South, to be here on this occasion, and I know that he too will regret very much that he was not able to be here for this discussion. It puts me, Mr. Chairman, in the position of not only having to speak for him but of trying to say the things that he would want said at this time.

I think the first thing that I have to say on his behalf, Mr. Chairman, is that he welcomes the attention that the Prime Minister has given to his request that something be done in this area. Naturally he and all of us in this party welcome any first step that is being taken. However, I think I would have to say that the agreement that the Prime Minister said was arrived at between him and the parliamentary leader of this party was not, at least so far as the hon. member for York South was concerned of the happiest kind.

I believe that while the negotiations were being carried on he continued to urge upon the Prime Minister, the President of the Privy Council and others that there be certain modifications in the proposal that is now before us. Perhaps there will be an opportunity for the hon. member for York South to speak for himself on this particular aspect, but I felt that I should on his behalf enter this caveat. I see the Prime Minister is nodding his head. In other words, I am saying yes, there was an agreement, but the hon. member for York South agreed only because the Prime Minister would not go any farther.

At any rate, Mr. Chairman, I think that the house in general should take this opportunity to express its approval of the action of the government in calling upon parliament to devote a certain portion of public funds to this kind of purpose. After all, it does not make sense to elect 264 people to the job that is ours in parliament, to pay us $12,000 a year to do the job, and then to be skimpy when it comes to providing the kind of assistance and service that we need in order to do our job effectively. Maybe some of us have got along for a good many years without this kind of assistance, but the job is getting that much more complicated and we do think it could be done better if research and other kinds of assistance were made available not just to the leaders of the various parties but to members of the house generally.

The Prime Minister said that one of the opposition party leaders had suggested a different approach. It is no secret that that suggestion was made by the hon. member for York South. It was that this kind of assistance should be provided not just to party leaders but to all members of parliament as such. The way we operate in this house, Mr. Chairman, this means the members of the various parties in the House of Commons.

The Prime Minister will recall that when the hon. member for York South first made his proposal to the Prime Minister—indeed, Mr. Chairman, I was with the hon. member at the time—the suggestion was made that this kind of assistance should be made available to members of all parties, including those on the government side of the house. I recognize the validity of the Prime Minister's statement that there are a lot of members over there; in fact, there is no doubt that there are too many. But if this kind of assistance is not made available to them, it does leave the notion that somehow they have access to the public service, to government sources, that is not available to those on this side of the house. That is not really true. I find that the public service generally is just as responsive to my requests for information as it could possibly be to the request of anybody else. However, if I were a backbench Liberal I think I would be complaining bitterly about a proposal that provides extra assistance to

members of opposition parties but no assistance as such to members on the government side of the house.

Some hon. Members: Hear, hear.

Mr. Knowles (Winnipeg North Centre): I hope that the "hear, hears" and the loud applause at this point, particularly from the backbenchers on the government side, is recorded in *Hansard.*

Mr. Trudeau: I am willing to say that that is a good idea, but it does cost more money.

Mr. Knowles (Winnipeg North Centre): Then that is fine; the response is almost unanimous, Mr. Chairman.

We are now spending a lot of money on the running of the House of Commons, some $15 million. That does not include the $3 million to run the Senate of which I do not approve. But if we are spending that much money and electing presumably capable, efficient and skilled people to do the biggest piece of work that has to be done in this country, namely, the job of running the country itself, then I do not think it is unreasonable or irresponsible to spend whatever few more dollars are necessary to enable such people to keep up with the kind of tasks that have to be tackled here in parliament. Therefore, Mr. Chairman, while expressing to the government the formal thanks of the hon. member for York South and of this group for taking this step, may I say that if my deskmate were here he would be speaking pretty strongly about this matter, insisting that this is really only a gesture and that the government ought to be going a great deal farther.

Perhaps the Prime Minister's defence will be that this is a beginning, but I did not like the way in which he placed so much emphasis on the provision being of assistance just to the leaders of the other parties. The Leader of the Opposition stated the obvious, namely, that the assistants that he will employ will not be just for his use but for the group as a whole. I know that we in our party have the same intention. Our leader has no thought of just using whatever money is made available to him to increase the staff in the leader's office. He is determined that any money that is made available will be used to hire research people to assist the members of this party as a whole. So why not put it on that basis, Mr. Chairman, and provide this assistance for all our members, for all the Conservatives, for all the Creditistes and for all the Liberals?

[Mr. Knowles (Winnipeg North Centre).]

The Prime Minister made reference to the research division of the Parliamentary Library and to the assistance that we are able to get there. I join with him and others in paying tribute to the assistance we have received from that division. However, Mr. Chairman, I point out that cabinet ministers do not rely just on impartial, objective people like librarians to brief them on the matters upon which they have to make decisions. That service is available to them, but they also have a whole host of executive assistants, special assistants, research people and advisers to work with them as a government, to think in their terms and to help ministers make the decisions that they must make on matters of policy.

I think that this also applies to the rest of us, Mr. Chairman. We are all entitled to the objective, impartial kind of research material that we can get from the library. But we are also entitled to have people in the research field working with us in our various groups, understanding our approach, looking for the kind of things that will help us solve problems, that will help us come to decisions in the light of the particular philosophies that the members of the various parties in this house have. That is not contrary to the Prime Minister's suggestion.

• (12:30 p.m.)

I think we all agree that this money must not be used for party purposes; it must not be used for the organizational work of the parties outside the house. I am sure he will agree with me 100 per cent that inside the house our parties and the cut and thrust of debate between the parties form the very essence of parliament. We need, therefore, that kind of research which will inform and strengthen us along the lines of the positions we in the various parties take.

I am pleading, although no doubt the hon. member for York South would be doing so in more biting language, for that change which we hope will come some time in the future. I shall have to settle for the Prime Minister's assurance that this is but the beginning, that once this kind of money shows up in the estimates it will be possible to enlarge the estimates and go farther in future years.

There is a particular angle to this matter that concerns me, concerns my leader and concerns most hon. members. We are concerned that the amount of money being provided is so small that unless something is done about the Joe staff, if I may put it that way,

in our leader's office and unless something is done to help our leader to cope with his ordinary day to day work, this money may be used to cover just that situation. For a good many years my office has been opposite my party leader's office, and I have a pretty good idea of what goes on in that office. I have seen it operating under two or three different leaders. It seems that it is the nature of the leader's office, and no doubt the Prime Minister is discovering this, that a particularly heavy work load comes into it. The correspondence is unimaginably heavy. A great deal of mail comes to the leader of the party, and that it is impossible for one person and one secretary to handle it is incontrovertible.

What must our leader do, Mr. Chairman. He has to persuade good people, people with university degrees and with experience who could get jobs elsewhere at higher pay, to come and work for him in that office, either at minimal rates of pay that the party provides from the outside or at rates of pay that are below those provided for executive assistants. As a result our leader has quite a few helpers, it is true; some of them are volunteers and some of them are from the outside. But he needs these people just to do the day to day Joe work. There is a very real danger that this money, which I understand in a full year would be only $35,000, much less than that for this year, will be absorbed to cover our leader's Joe work and that we shall not obtain from it what is wanted, namely, research work to assist hon. members to be better informed. That danger exists in a very real way and will continue to exist until this other problem has been dealt with satisfactorily.

I shall spend no further time on this matter, since it is still being negotiated. The leader of our party was greatly concerned when the proposal came from the Prime Minister. He was led to believe that this money was to be used to pay the salaries of people who would be capable of doing active research work. It ought not to be used merely to pay for the day to day work in the leader's office. We are all to be covered by this small amount of money. Hon. members who sit in the second, third, fourth and fifth rows and who need research assistance of the kind the Prime Minister is talking about just will not obtain it. I therefore think that the Prime Minister's initial gesture might have been considerably expanded.

I think hon. members ought to be told how much money is being spent on each of the smaller parties, how much is being spent on the official opposition, how much is being spent in enlarging the Prime Minister's office staff and the staff that is looking after his Joe work, his research work and all the rest of it. If we have that information we may better judge how generous is this gesture toward the third and fourth parties in this house.

In addition to the ordinary work load hon. members have as such because of matters that come to their offices, the steady run of human problems, and in addition to the ordinary correspondence they must deal with, they are often asked to help in other ways. I suppose I have helped to write hundreds of graduate theses in the quarter century I have been here. Every week young people approach me with requests of that kind. I think this is a legitimate request for students across this country to make of their members of parliament. That is part of the job.

On top of all this work there is our work in committees. I agree with the proposal that we make more use of our committees. I think we must consider attaching some kind of research staff to the committees themselves. I do not say we must go to the extent they have in the United States. All those who have been down there know how lavish they are with money for research purposes. The point is that when we are asking for all these things we are not asking for public funds to be squandered. We are trying to make sure that we get better value for the money we already spend on the institution known as parliament and on having members of parliament here.

We are all terribly aware of the work load that goes with parliament. I will not be divulging caucus secrets when I say that some time ago, at one of our caucuses, we had an outsider in who pleaded for something to be done. The retort was made, "Why don't you get yourself elected to parliament?". One of our new members who felt overworked already immediately replied, "The job isn't what it's cracked up to be."

I believe a good many new hon. members are finding the work load heavy. But we are here because we like it. We like what we are able to do. Some of us like it so much that we hope to stay here forever—if we are allowed to. We have an important job to do for the people of Canada and it is by no means a mistake to ask for public funds to be used to support that work and see it is done well.

We shall certainly vote for item 20a, the item we are in effect now discussing. We hope that this is only a beginning toward the provision of proper and adequate assistance to members of parliament generally.

• (12:40 p.m.)

[*Translation*]

Mr. Caouette: Mr. Chairman, I want first of all to congratulate the Prime Minister (Mr. Trudeau) for having fulfilled a promise made in the Speech from the Throne, to the effect that the Opposition parties would receive some help from the government in order to reach maximum efficiency.

The Prime Minister has just repeated that, to ensure maximum efficiency to the opposition parties and their leaders, supplementary estimates are presented today, which will help them considerably to fulfil their duties more actively and more efficiently than in the past.

I note in passing that this initiative of the government, probably conceived by the Prime Minister himself is due to the fact that, having for such a long time himself opposed any government in Canada, he has understood the importance of an active opposition. I knew him when he was active. In 1944—quite some time ago—he went around for the C.C.F. with Mrs. Thérèse Casgrain. He even came to Rouyn-Noranda and I went to hear him speak during the provincial elections of 1944.

The Prime Minister, therefore, knows what he is talking about when he speaks of the important role the opposition can play in a democratic parliament.

Mr. Chairman, in addition to the amounts the Prime Minister or the government suggests should be paid the leaders of the parties of the opposition to organize a research department, we must also consider the matter brought up by the member for Winnipeg North Centre (Mr. Knowles) to the effect that those amounts are not made available only to the leaders of the parties, although the leaders are formally mentioned.

The fact is that, in any political party, there is some form of discipline and I believe the leader is the one who represents the whole party. Just as the Prime Minister represents the whole Liberal party, the Leader of the Official Opposition (Mr. Stanfield) represents Conservative members as a group, and the leader in parliament of the New Democratic party represents the socialist members of this house, and I feel I represent the members of the Ralliement Créditiste group.

This means, Mr. Chairman, that the help we receive belongs of necessity to our respective deputations. In my case, if we increase the staff assigned to research or such work as is absolutely essential, that staff will be available to our whole party. I believe the same applies to the other parties.

Now, there is another point to which the government or the Prime Minister must give much attention, and that is office facilities. At the present time, the situation is absolutely unbearable. In my own case, for instance, four employees share a single office about the size of a handkerchief, which is hardly satisfactory. The whip of the Liberal party is looking at me and signalling that this is a serious problem. He is, in fact, fully aware of the situation in which I find myself. More space must be found for the opposition parties.

Some minister have five, six or seven offices in the centre block, even though they have huge offices in their respective department buildings. Two sets of offices are provided for the ministers and for their parliamentary secretaries, whereas the opposition parties are in a strait jacket. They find it absolutely impossible to get any co-operation from the government. The opposition parties must be given more office space.

Another point which I want to bring to the attention of the house is that the right hon. Prime Minister has mentioned in the Speech from the Throne and repeated in this house this very afternoon that the public must realise the important role of the opposition in parliament. There is rather a contrast between that and what was said before the election, for example. The public was then told: Vote for the government if you want to get anything. They are urged to vote for the party in power, but no one knows which party will be in power. We often hear that.

Today, I think this clearly demonstrates the position and the importance of an efficient opposition which will preserve our democratic principles. That means that a member of the opposition must receive the same treatment as a member of the party in power, if we really want justice to prevail in the administration of public affairs.

I think that the fine initiative of the Prime Minister confirms the importance of an efficient opposition, well informed and prepared to play its part as a critic of a responsible government. Mr. Chairman, this is an

essential condition so that the public may be aware of the importance of the opposition to the government.

Here is another point on which I wish to draw the attention of the Prime Minister. As the hon. member for Winnipeg North Centre (Mr. Knowles) said a while ago, an amount of $35,000 is allotted to the small parties of the opposition and $125,000 to the main opposition party. As for ideas, that party is smaller than the others, but it has more members than ours, I admit it.

We are bound by those recommendations which we feel constitute a first step towards helping the small parties of the opposition. Needless to say, eventually that will not be sufficient, because like every other minister or the Prime Minister himself we have more work than we can do. What staff does the Prime Minister have? A staff of 28 people: writers who prepare the speeches for the ministers and dozens of researchers, in short a numerous personnel.

Let us not forget, Mr. Chairman that although the right hon. Prime Minister indicates that it is not so, I believe he needs that staff to fulfil his duties properly and to enable the government to discharge its responsibilities. I am not criticizing the size of the staff, but I do want to point out what our situation is compared to that of the government.

The amounts we accept are just a start. They will help us, there is no doubt about it, to better fulfil our duties. They will help not only all the members of the Ralliement Créditiste, but their leader as well.

• (12:50 p.m.)

Mr. Chairman, the opposition might also play an efficient role in another field. I have already called the Prime Minister's attention to that matter by writing to him personally. It deals with transport facilities for the leaders of the various parties. For instance, we are invited to go to western Canada to speak before university students about the role of a parliamentarian or any other matter of public interest, and not to play politics, although that can be done. The Prime Minister is not above doing it at times; I have the right to do it too just like the leaders of the other opposition parties.

I asked the Prime Minister that a pass valid on Air Canada flights be delivered to the four federal political leaders. So far the Prime Minister does not need a pass, because he has his private plane, that is the government plane. The Leader of the Opposition has a pass which enables him to travel on all Air Canada routes from the Atlantic to the Pacific, whereas the leader of the New Democratic party and the leader of the Ralliement Créditiste do not have such a pass. As far as I am concerned, I have a pass which allows me to go home to Rouyn once a week. All hon. members have one. I am not asking that a pass be delivered to all hon. members, but the fact remains that there are two political leaders of parties now represented in parliament who do not have that pass.

The management of Air Canada has not even found it appropriate to answer me when I requested one and I say that the Prime Minister did not answer me either. Yet, he has received a personal letter from me on that matter.

When we have to pay such transportation costs, it means spending a considerable amount of money which we certainly cannot always take out of our own pocket. Sometimes people invite us and send us an airplane pass, so that we have nothing to pay. It seems to me that if the leaders of the New Democratic party and the Ralliement Créditiste had a pass enabling them to travel from eastern to western Canada, when they are invited to perform official functions, when they are invited by social clubs, chambers of commerce, municipal authorities, or to attend regional conventions of various organizations, Air Canada or the Canadian government would not be poorer for that.

Mr. Chairman, I draw the Prime Minister's attention on that point, to see whether it might be possible to add to both the two small items the amounts requested by the representatives of the New Democratic party and of the Ralliement Créditiste for the leaders, so that they are provided the same facilities as the Prime Minister and the Leader of the Opposition to travel across country.

Mr. Chairman, before concluding my remarks, I want to thank sincerely the Prime Minister for his initiative. I commend him for having fulfilled a promise made in the Speech from the Throne. I think that the supplementary estimates will assist the members in giving a better service to their constituents, while enabling them to discharge their parliamentary duties even better. Thus the Canadian people whom we represent here in the House of Commons will be better served.

Mr. Ouellet: Mr. Chairman, I would like first to congratulate the right. hon. Prime Minister (Mr. Trudeau) for this initiative which, I think, constitutes a step forward in

the modernization of our parliamentary system. In my opinion, it was advisable to recognize the greater work-load of the party leaders and the additional credits which will be voted will serve to increase their staff. It is a very wise move. However, I hope it will be also followed by another measure long overdue and most important which would improve the services enjoyed by the hon. members.

You will agree with me, Mr. Chairman, that the role of the State, in our political society, is becoming increasingly important. We can expect it to grow apace. The complexity of public administration saddles the hon. members with new and extremely heavy obligations.

The people want their M.P. to fulfil his obligations as a legislator in Ottawa, but they also want him to be present in his riding to provide for all local needs. This is now practically impossible because of the evolution of our parliamentary system.

In view of this, it is advisable to provide members on both the government and opposition sides with services to enable them to fulfil their new responsibilities as well as their duties in the house and in their riding.

I think that, in view of these new needs, we should establish without delay secretariats in the ridings to assist each member with his work on behalf of his constituents. It is true—as pointed out earlier—that there is a staff to serve members, particularly in the library; this staff helps members in the preparation of their work and provides them with guidance in their research.

However, as a result of the evolution of parliamentary procedure—we now have to work practically 11 months a year in Ottawa. A member cannot be active here 11 months a year and make a useful contribution to the proceedings of the House of Commons, while keeping informed of the events in his constituency, in order to answer all the requests of his constituents and professional or social organizations. All that increasingly requires that a member should conduct forums, inform the public of the various political trends and attend social functions, especially those which stimulate the political activity and thought of his electors.

Now, I believe that it is extremely important that we should obtain as soon as possible some help in our constituencies, at least to enable the member, to be represented in order to assure some permanent cohesion between the aspirations of the people or the

electors of a constituency and the policies applied and passed in Ottawa.

Mr. Chairman, I think we should provide a supplementary allowance to cover the costs involved in hiring a secretary in the riding, as well as renting premises and paying for long-distance telephone calls, because you know that the representatives of rural districts are often compelled to make long-distance calls from one locality to another and this is very expensive indeed. I do not see why a member who has an office in his riding could not have a direct line linking him with the various government departments.

Before concluding my remarks, I would like to deal with another matter. This has already been raised earlier in the day by the hon. member for Témiscamingue (Mr. Caouette) who is in favour of granting a permanent pass on Air Canada aircrafts to the leaders of the parties. I agree with that. I think this should have been done a long time ago.

Still, I should like to put the following question: if, in the early days of confederation, it was considered advisable to give Canadian members a pass on the railroad, I wonder why, today, considering the evolution in transportation and modern techniques which allow more travel by planes than by railway, the members of parliament could not be given passes on Air Canada planes, just as members were given passes on the trains in the early days of confederation.

• (1:00 p.m.)

[*English*]

Mr. Baldwin: On a point of order, Mr. Chairman, I wonder whether it might be possible to agree to pass this item and later relate what we have to say to the supplementary estimates. I shall have some comments to make at that stage. Without any discourtesy to the hon. member for Papineau, when we come to the statutory item relating to the House of Commons, and vote No. 10, I think members of the committee will have perfect latitude to relate their remarks to this supplementary estimate. In order to accommodate the leaders of the parties I think we might agree to pass this supplementary estimate now and agree to relate our remarks to the statutory item and item No. 10 in the legislature estimates.

Mr. Macdonald (Rosedale): Provided that no exception will be taken to a speech by any member that might relate to the remarks of the Prime Minister or any other party leader I would be agreeable to that course.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I also agree that we now pass item 20a but not item 1.

The Deputy Chairman: Before calling item 15a and item 20a I should draw the attention of the committee to the fact that supplementary items 15a and 20a were tabled this morning and as I interpret standing order 61 these items should not be considered or adopted in committee at this sitting.

Standing order 61 reads as follows:

If any motion be made in the House for any public aid or charge upon the people, the consideration and debate thereof may not be presently entered upon, but shall be adjourned till such further day as the House thinks fit to appoint; and then it shall be referred to a committee of the whole House, before any resolution or vote of the House do pass thereupon.

However, I assume there is unanimous consent. Is it agreed?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): We are passing items 15a and 20a, not item 1.

Some hon. Members: Agreed.

(The following items were agreed to:)

15a. To extend the purposes of Legislature Vote 15 of the Revised Estimates for 1968-69 to include Canada's fee for membership in the Association Internationale des Parlementaires de Langue Française, $1,000.

20a. General Administration—Estimates of the Clerk, $81,250.

The Deputy Chairman: It being one o'clock the committee stands adjourned until 2.30 this afternoon.

AFTER RECESS

The committee resumed at 2.30 p.m.

The Deputy Chairman: Order. House again in committee of supply. When the committee rose at one o'clock we were discussing vote No. 1.

Mr. Macdonald (Rosedale): Mr. Chairman, I wonder whether it might be appropriate if we stood votes Nos. 1, 5, 10 and 15 and went on with vote 20 so that we could deal with the general administration of the house and in particular the various subject matters to which hon. members were referring this morning. We could return to these votes when the committee had satisfied itself with regard to vote 20.

The Deputy Chairman: Is this agreed?

Some hon. Members: Agreed.

20. General administration, $9,192,100.

[*Translation*]

Mr. Ouellet: Mr. Chairman, when the house took recess at one o'clock, I was saying that it was imperative that members of parliament have access to modern means of transportation and communication.

Years ago, through a legislative measure, parliament granted railway passes to its members. In this age of speed, it would be proper, I feel, to give the members special passes on Canadian airlines. The frequent use of planes for travel is now recognized and accepted by everyone.

Indeed, all the members of this house can travel by plane once a week between their respective ridings and Ottawa. To my mind, it was essential that this principle be recognized. It is especially handy in the case of those members who come from the Maritimes and the western provinces.

However, it should now be recognized that the members who are called upon to vote ever increasing amounts each year for the administration and the legislation of their country, should be able to travel quickly across the country to better know it and, in particular, to study at close range the problems they are called upon to solve.

I recognize that granting permanent passes to all the members of this house on Canadian airlines may cause those companies certain difficulties, but surely some way could be found to allow all the members who so wish to move about rapidly from one end of the country to the other, at least two or three times a year.

Mr. Chairman, I see magnanimity in the attitude of the leaders of the parties who will receive additional amount to help them in their work; I find them magnanimous in the fact that they are willing to share these amounts and this additional help with the members of their parties. But to me, this is not a solution. The needs of the party leaders have been recognized, and assistance is being given to them. They are now provided with extra sums of money so as to fulfil their

responsibilities more efficiently. I do not think we should expect them to share those funds with the members of their parties. We must find right now some means of assisting all the members. To this end, I suggest first that the research personnel in the library of parliament should be increased; secondly, every member should be allowed to establish a secretariat in his own constituency. This is, I think, one of the most urgent and pressing needs if the members must continue to play a useful and efficient part in their constituency.

Finally, I think it should be possible for the members to travel about in this country in a swift, efficient and modern way, without having to spend fantastic amounts of money.

Those recommendations should be accepted as quickly as possible so as to render the members' work more effective, in the interest of the Canadian people.

Before closing, Mr. Chairman, I should like to refer to a question directed to the Speaker on October 31 last by the hon. member for Abitibi (Mr. Laprise) with regard to the translation situation in the committees.

Mr. Speaker, with his great kindness, had accepted to consider the matter and he had said:

> I would ask him to wait a few days to give me the opportunity to study the situation a little more closely and then I may be in a position to make a statement in the house—

on this subject.

We know the tremendous difficulties encountered with regard to the translation of the evidence of the committees of the house, and if we refer to the report of the hon. Secretary of State (Mr. Pelletier), dated March 31, 1967, we see that the workload of the Canadian government translators is unbelievable and that the number of words and pages translated has tremendously increased during the last few years. This does not only apply to translation but also to interpretation.

I should like to suggest that we might go back to a practice which existed in the early 40's assigning to the House of Commons translators who would exclusively look after the translation of the *Debates of the House of Commons* and the proceedings of the committees. I think that we are now asking too much from the translation staff, and, to that end, I should like to quote part of the report of the Secretary of State.

> Additional to the requirements of parliament, assistance was provided (by the interpretation services) to departments, crown corporations, royal commissions and similar bodies in Ottawa, elsewhere in Canada and abroad.

[Mr. Ouellet.]

This means that often, when there is an urgent need for documents and material which have been submitted to one of the committees, unfortunately there are no translators available to do the work and to deliver simultaneously to the members and the public the texts in French and in English. This is a situation which, in my opinion, should be corrected as quickly as possible and I suggest with great deference that the Chair consider the advisability of assigning a staff of translators exclusively concerned with the business of the House of Commons and the committees.

• (2:40 p.m.)

[*English*]

Mr. Baldwin: Mr. Chairman, in the quiet retreat of the House of Commons on a Friday afternoon there is an excellent opportunity to make some comments on item 20 which deals with the House of Commons itself and to make some reference to the supplementary estimates which were passed. When all over the world today we see signs of violence and the desire of people to change their way of life by sudden and bloody means rather than by the infinite processes which democracy has made available to us, I think it is a good thing to take a minute or two to reflect on what we are, what we do and what we should be able to do. I do this in the full knowledge of the fact that the committee on procedure will be reporting by order of the house on December 1 and I do not intend, except indirectly, to infringe on what I hope will be a very useful and meaningful debate at that time.

I direct my remarks more particularly to the backbenchers opposite. I have been trying to incite a revolt over there for some time without too great a measure of success so far. With regard to the role of the backbencher, hon. members opposite must have been filled with jealousy and some admiration by the very useful and spectacular performance by the six members from Newfoundland who sit on the "right" side of the house and who were able to mount a concerted, effective and useful attack against the very unfair removal of Newfoundland's most necessary passenger train service. It did not take a great deal of time and it was done usefully and objectively. The hon. members spoke with eloquence and in an articulate way brought forward to this house and through this house to the country a very serious and urgent problem. I think they are entitled to the commendation of the people of this country and members of this house

for demonstrating that it is possible to do so. I am confident that hon. members opposite must be very frustrated by the inhibitions that prevent them from emulating the kind of presentation the house saw when the members from Newfoundland put forward their arguments last week.

There are very eminent authorities for this sort of action. I am going to try to be as objective as I can, but I should like to quote some authorities to show the unfortunate predisposition of members of the Liberal party to fail, even in opposition, to take the independent stand they should. I have some quotations here which I will read and possibly hon. members will recognize the source later. All of them come from one article. The first one reads as follows:

> There is not remaining in this party (Liberal) one single man for whom principles mean more than power.

The next one reads:

> One finds among the old guard the same brutal cynicism.

Another one reads:

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

Those are not my words, Mr. Chairman. I would not dream of saying that. Farther on I read:

> —I would have to point out in strongest terms the autocracy of the Liberal structure and the cowardice of its members.
>
> I have never seen, in all my examination of politics, so degrading a spectacle as that of all these Liberals turning their coats in unison with their chief, when they saw a chance to take power.

Those are sad words, Mr. Chairman. And again:

> —where was there a single well-known Liberal to stand up for the constitution of the party, to raise his voice against dictation by the leader, to question his authority thus to commit the party?

Since the present Prime Minister, Right Hon. Pierre Elliott Trudeau, used these words in 1963 so effectively and truthfully, I wonder how many backbenchers there are sitting opposite me who would like to say the same thing but who, because of the description which has been given of them, do not dare do so.

Having thus established a foundation which I hope will be continued, I believe this issue becomes one with which we must all be concerned and upon which will be predicated not necessarily the survival of this house—I am not one of those who feel that this institution may be threatened—but the shape in which it will survive. Its opportunities to make a useful contribution, not only to preserve but to restructure and improve our society, depend on what we do with it and what use we make of the power and authority which it has.

Not long ago I read a very interesting book by Mr. Humphrey Berkeley, a former British member of parliament who belonged to the Tory party. He is no longer a member now. The book is called, "The Power Of The Prime Minister". In it he points out very succinctly the rising power of the prime minister and the addition to the structure of the prime minister's office. He points out the frightful consequences which might well occur as a result.

As a matter of fact, Mr. Berkeley was a very progressive member of parliament. It was he who sponsored and brought forward in the United Kingdom the legislation which was eventually passed dealing with acts of gross indecency. Whether or not one believes in his views, it is at least to his credit that he was able to do this as a private member. He was also very prominent in trying to help the government and parliament to secure reforms in connection with the abolition of capital punishment and changes and reforms in the divorce law.

In his book he points out how slowly, step by step and stage by stage over a period of years, power flowed from the House of Commons into the hands of the government and since then has come to rest almost exclusively upon the shoulders of the prime minister. Of course he makes certain proposals as to how this can be changed. I will not go into them, but here is a man with six years of practical experience in the House of Commons in the United Kingdom who challenged the effectiveness of the rota system in the question period in the English House of Commons. I think anyone who reads Mr. Berkeley's book will see precisely what this government and the Prime Minister are attempting to do and will then conclude that the opposition has indeed been wise and sensible in the attitude it has taken that this change cannot be made. While there may be room for some alteration in the question period, it cannot and must not be done in the way the Prime Minister is attempting to do it but must be done through the process of discussion and reaching a consensus.

• (2:50 p.m.)

If I had the time, Mr. Chairman, I could take the committee stage by stage, act by act, through the legislative process which we have undergone in this country. Even at this session the major bills which have been passed have all resulted in a further stripping away of power from this House of Commons and giving it to the government. The Canadian National financing bill contained nine clauses giving the Governor General in Council the power to do things which normally would only be the prerogative of this parliament. I recognize it is essential for the proper functioning of the democratic process to give certain powers from time to time to the government. We have seen this happen in bill after bill, session after session. I believe the major points on which the opposition took issue with the government in connection with the farm credit legislation which was passed this session had to do with those areas where power was given to the government to fix the interest rates which would be applied to farmers of this country in an arbitrary fashion. I believe an examination of all legislation passed would show this to be the case.

I have already indicated that to some extent this is necessary. However, to the extent that it is necessary, it is even more essential that we must retain within the four corners of this chamber the independent right to challenge the government when from time to time the government is wrong. The only way we can have that independent right is when backbenchers on the government side and other members have the intestinal fortitude it takes to challenge the government when the government is wrong. There is no doubt that this is going to happen very frequently in the next four years. We must retain within the four corners of this chamber the right to challenge the government, the right to compel the government to give an accounting. We are not here simply to say: Ready, aye ready, pass your legislation; we will restrict ourselves to a feeble protest. Far more than that must be the essential requirement to retain an effective and useful parliamentary system

There are many ways in which this tendency is shown. There is excessive secrecy. There is no doubt that this government has gone far beyond the action it needs to take in order to preserve certain minimum requirements of secrecy. Certainly no one would dare disagree with the right of the Prime Minister to restrict his cabinet ministers in their utterances so that they will not reveal what has taken place within the secrecy of the privy council chamber. However, the government has gone much beyond that. I say that because this fact is demonstrated in the house day after day when members on the opposition side attempt to secure from the government the facts which they must have if they are going to discharge their duties. These attempts are stone-walled. We get answers but they say nothing. We get statements but they have nothing of fact or consequence included in them. I believe this is well established.

I have here a very interesting article which appeared in this morning's Montreal *Gazette* written by Gordon Pape. The article is concerned with the problems and difficulties of government. While it is lengthy, the author has only had the space to touch upon a few of these. I should like to refer to the paragraph dealing with excessive secrecy in government:

> There was nothing terribly unusual about Mr. Trudeau's edict last summer that cabinet and caucus sessions should be kept secret. Almost every new party leader has, on taking office, made similar statements.
>
> What was unusual was the zeal with which official Ottawa reacted to the statements. Civil servants, many of whom tend to be timid with the press—

it is difficult to understand that statement.

> —to begin with, have used the Prime Minister's warnings as an excuse to clam up. Some cabinet ministers have become wary with newsmen—

How could they?

> —even about matters having to do only with their own departments.
>
> The over-all effect has been to stifle the news flow out of Ottawa to some degree, and to lessen rather than increase public debate on issues up for government scrutiny.

This is the essential reason why there must be complete freedom in the necessary flow of information from the government. This flow of information is necessary in order that members of the opposition may exercise their prerogative of acting for the millions of people who sent them here to challenge the government from time to time and ask the government for the facts. Only in the broad light of publicity are the processes of democracy useful and effective.

This brings me to the last point I want to make. I know there are other members who are most anxious to make their own contribution to the debate on this item. I should like to refer to the extent to which the usefulness of this institution is, in a way, being impaired

by the emergence of a new media of reporting. I have no great complaints with the press as a whole. If you manage to read enough newspapers or if you read the same newspaper long enough, you get a fairly balanced diet. It may well be that the people who do not look below the headlines may not find this to be the case. However, if the opinion makers read enough newspapers, I think one can obtain some balance and enough of the facts to know what is going on here and what are the issues.

In recent years a completely new element has been introduced through the media of radio and television reporting. I believe that this and other parliaments must soon come to some decision about how we are going to deal with it. Here we have a situation where members of this house—cabinet ministers, leading members of the opposition parties and backbenchers on both sides—have lavished loving care and objectivity in putting together a speech dealing with a current public issue. The speech is delivered in the house or a question may be asked and answered in the house. Then, outside the doors of this chamber members are met with microphones and cameras and are expected to compress within the limited time of 30 or 60 seconds a complete answer. The result may be a distortion of what has been said in the speech. I am not being critical of the people who ask for these statements. It is a fact of life that this media is here and is not going to go away. Hopefully, we are not going to go away either, so we have to bring these two facts together.

We have seen an illustration of this in a somewhat different fashion when the right hon. Prime Minister saw fit to discuss certain issues in a meeting with students at Kingston. In doing so I think he has created a great deal of confusion and a great many problems for some people in the country and for some of those who represent the country.

• (3:00 p.m.)

When we first come to Ottawa, Mr. Chairman, and go into the office of the Clerk to take the oath of office I think we must leave outside the door of his office some of our private life. When we go a step farther up the ladder and are called to Government House and there sworn to the privy council, we leave outside the front door of the Governor General's house a great deal more of our private life. If we become prime minister—and I use the word "we" very loosely, Mr. Chairman—I think it becomes very difficult indeed to retain much of our private life. I do not care how valid the reason or how good the intention, the person who has the honour to hold the first citizenship of this land and be prime minister must understand that he cannot divide himself into a personal self and a public self. When he appears on the public platform or before the television cameras he cannot say anything other than as prime minister of the country. When that fact is recognized, Mr. Chairman, I hope it will make somewhat easier the task of the prime minister's colleagues who sit on the same side of the house as he, as well as all of us in the house, who wish to see the affairs of this country properly and well conducted.

In any event, the time has now come for us to have a good hard look at the question of television and radio coverage of our proceedings. Are we going to let cameras in here? Like the camel and the Arab, the camel is just outside and beginning to get its nose through the door. Are we going to let it proceed in the hit and miss fashion that we have seen existing in the past?

I for one, Mr. Chairman, will be quite honest and say that I have had strong objections, and I still have, to this kind of coverage, but I am beginning to wonder whether those objections are valid any longer. If we are going to be able to portray to the people of this country and to the world a fair representation, in terms of balance, of what takes place here, then must we not consider approaching the question in a proper and a scientific way?

I do not think that we in this chamber alone can make the rules, though certainly we must have the right of veto. However, I do suggest—and I throw this out as a hint and hope that other hon. members will have something to contribute to it—that before too long a time has elapsed we should get together a group that would include members of this house, members of the other place, some of the chief representatives of the media and see whether or not it is possible to work out a way by which a fair and accurate representation of what takes place in this house from day to day can be presented to the people instead, as I say, of the hit and miss method we are following at the present time.

To me, Mr. Chairman, the securing of ways and means to bring this about represents the greatest difficulty. If the Lord would consent to come down and act as censor and edit the tape, then we might well be able to work out this problem. I was in the United Kingdom

last February, and as most hon. members know the British parliament has been fooling with this same question. The House of Commons rejected it. The House of Lords did allow cameras into the chamber on an experimental basis for one debate. This was put on tape and there was a selective showing for those whose hearts were strong enough to stand it. In typical British fashion this debate of noble lords and ladies centred around Sunday sport, on whether or not they should play cricket on Sunday, hold horse races and so on. I must say the debate was not too exciting, but the screening showed two speakers from either side, two from the government and two from the Conservative side. I did not stay to see the showing any longer, but an attempt was made to represent fairly what did take place. The hon. member for Winnipeg North Centre was there and he did indicate he hoped the film would be brought back so as to add support for his campaign to have the Senate abolished.

But seriously, Mr. Chairman, we must wait no longer in facing up to this problem and deciding how to deal with it. Bearing in mind the quite unfair and improper campaigns of vilification that have gone on against many democratic institutions all over the world, the time has now come for us to secure some way of ensuring that what goes on in this place is accurately and properly portrayed to the people of Canada. I say this, Mr. Chairman, because the time may well come when we want in the savings bank of good will the greatest possible fund of understanding and appreciation of what is essential to the survival of this country. Somehow the members in this chamber must secure a distillation of the united wisdom of all the people they represent so that when the occasion arises, as it will from time to time, this wisdom may be set against the government and the will of the people will prevail.

Mr. Macdonald (Rosedale): Mr. Chairman, I do not want to comment very much on what the hon. member for Peace River had to say except to say that in essence his speech was a forerunner of the one that will follow in the debate on the report of the procedure committee. This committee has been engaged in its occupation for a long time, most of that time without the presence of the hon. member for Peace River. On the whole it seems to me that it would be advisable and desirable to let the committee complete its deliberations without opening up a debate on the question of procedure. Therefore, if I do not comment on some of the points he raised at this time my silence does not indicate agreement in any sense with what he said, but rather that I think we should wait for the procedure committee to report and deal with the subject matter then.

[*Translation*]

I believe the member for Papineau (Mr. Ouellet) has studied the matter seriously and his suggestions, especially with regard to the translation of the *Hansard* and the committee reports prove it. I should like to advise the house that later today it will have the opportunity to adopt a motion authorizing an experience with regard to the committees of the house.

As the members know, we have simultaneous translation in the committees, and the officials of the House, have suggested that it might be possible to get a written translation of that interpretation with the original text, as we do in the case of new bills. Thus, we could get the committee reports within a few days of the sittings of the committees instead of a few weeks as is now the case.

I believe also that the house might be willing to pass unanimously this afternoon, a motion which would allow us to adopt that procedure on an experimental basis from now until the Christmas recess.

The hon. member for Papineau, also mentioned secretaries in the ridings and he told us that it is the practice now in Quebec to make these facilities available to the members of the provincial legislature and also to grant them travelling expenses everywhere in Canada as well as other benefits so as to help them better fulfil their duty.

Therefore, I should like to suggest that it might be possible, in the second half of this session, to appoint a committee consisting of hon. members representing all the parties in the house, to study an increase in the staff and an improvement in the working conditions of the hon. members, so that they may better perform their task which consists mainly in representing their voters, reviewing legislation and legislating in the best interests of the Canadian people.

I will also discuss this with my colleagues and the leaders of the other parties in the house to arrive perhaps at a formula which will allow us, in other instances, to consider the working conditions of the members with a view to improving them.

And just to reassure the back-benchers of our party, we admit that we have granted

opportunities to the opposition. It is first of all an opportunity for the leaders of the other parties.

We are also fully aware of the problems faced by the members and we do intend to solve them.

• (3:10 p.m.)

[*English*]

Mr. Diefenbaker: Mr. Chairman, I do not intend to follow the argument advanced by the President of the Privy Council. After listening to the hon. member for Peace River speak about parliament I thought I might refer to several matters. He pointed out that there had been a great change over a period of years in the power and authority of the Prime Minister, a weakening in the power of parliament itself, and particularly in the power of backbenchers.

Throughout the years one of my objectives has been to do everything I could to bring about a full and complete participation, within the limits of parliamentary time, for those hon. members who, elected for the first or second time to the House of Commons, remain backbenchers. I have found from experience that their contributions mean most in giving parliament new hope, new idealism and a new concept of the needs of their generation. Ever since the first world war the trend has certainly been away from the backbencher. The trend in Canada has been similar to that in the United Kingdom. The centralization of power in the Prime Minister, and indirectly but powerfully in the cabinet, has brought about a condition that is not healthy to the concept of the House of Commons being the house of the common people.

In setting forth his views the hon. gentleman referred to the radio and television facilities that are now immediately available in the foyer of the House of Commons. There must be a good reason for this to have happened. My analysis of the change that has been brought about is that more and more the press gives less and less space to the speeches made by hon. members in the House of Commons. I recognize there is every reason for that. High costs that are ever-rising make it impossible for the press in any event to give anything more than a mere summary of what each hon. member may contribute to the house in his speech. I may be repetitious in advancing these remarks, but I have advanced them before.

I should like to see the press of our country follow the example of the London *Times* which daily sets out what took place in the House of Commons and in the House of Lords the day before. A line or two is devoted to each hon. member who spoke and the purport of their views.

Nothing is more discouraging to those serving in parliament than, after having prepared their speeches, to have no one listen to them. Speeches are not listened to unless they are well prepared and show that the midnight oil has been burned. Often a young man or young woman works with dedication to prepare a speech and then finds that there is no mention of it in the press. Hell hath no fury like the failure to mention an hon. member's contribution in the House of Commons.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: It would not require much space to make possible this suggestion. I should like to see it tried because I think it would raise the standard of debate in the house if newly elected members or backbenchers in making their contributions knew they would find a short summary of their remarks in the press. That is the first suggestion I make.

I think one reason for the tremendous expansion in the television and radio audience is that television and radio each day let the people of Canada know first hand what has happened. When an hon. member is interviewed outside the house he is able to epitomize and summarize in 30 seconds or a minute the embodiment of the argument he has endeavoured to advance. He thereby becomes known to his constituents, to his province, and to the country. Except for the instrumentality of the media there is no effective way for a new hon. member or backbencher to make his presence and his contribution in the house known.

The tremendous centralization of authority has been mentioned. Until 1914 the Prime Minister was the first among equals. Then began a constitutional change. The books on constitutional development that were written between 1875 and 1914 have no application to the parliaments of today. The prime ministers of an earlier period of history were the custodians of the rights of parliament against the crown. The prime minister of today, of this generation, has become more powerful relatively, under the British system of parliament we have adopted, than the President of the United States.

Some hon. Members: Hear, hear.

Supply—Legislature

• (3:20 p.m.)

Mr. Diefenbaker: Mr. Nixon will become president in January. He will find in Congress, that is, in the Senate and the House of Representatives, the opposite party in a majority. Unless the members of Congress decide to make it possible for the presidential system to operate effectively, he will find himself unable to carry out whatever policies he has advocated unless they are generally acceptable. The Prime Minister is in a different position. He can exercise the overwhelming power which derives from his ability to recommend dissolution, a power which places him in the position not of being first among equals but of being first.

The present Prime Minister of Canada made a declaration that he wanted no more leaks from cabinet or from caucus. I cannot criticize that as far as cabinet is concerned. There was a time within the last two or three years when all that was necessary in order to be fully conversant with most of the controversial matters which arose in cabinet was to have half an hour to spare after the cabinet had met. That was wrong. That was dangerous to our system. When the Prime Minister enunciated the principle that there was to be no more of this, he not only enunciated a principle which was proper and fitting but one which was completely consonant with the constitutional responsibility of ministers. In the last few days, however, the fears of yesterday are being disregarded. Ministers are now going here and there making announcements. While this House of Commons is sitting, if an hon. member asks what is the view of the government with reference to statements which are being made, the answer is certainly not one which indicates any endeavour to give an answer.

We have seen an example within the last 48 hours. The Leader of the Opposition, together with other hon. members in all opposition parties, was pressing to find out where this government stands on the subject of NATO—what the Canadian attitude is to be, whether there is to be a change, whether it is intended for Canada to depart from its responsibilities to stand in confrontation against communism through NATO or whether we as Canadians are to adopt a new isolationism whereby, though remaining a member of this organization, we shall not carry a fair and responsible share of the load. We could not get an answer.

[Mr. Diefenbaker.]

One has only to read *Hansard* in the last few weeks to realize that the period for questions is mainly given to questions, not to answers. We have reached a point at which a question asked is becoming a question unanswered, regardless of its simplicity or the need for an answer. It is true there are some ministers who will give an answer, and I follow the course of thanking them when they do so. There are others who are adopting an attitude of mind which is pretty close to being contemptuous toward those who ask questions.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: The President of the Treasury Board, with his experience of parliament and his kindly face, disagrees. When he has been here a little longer he will agree. I always like the affability with which he approaches these problems.

Yesterday we could not get an answer regarding NATO. There was talk, there was uncertainty, there were woolly pronouncements on the subject of NATO. Yet, while parliament asked these questions, 3,000 miles away a minister was giving an international organization information which parliament had the right to know but which parliament was denied. This will not make for an effective House of Commons.

There are, naturally, matters of a secret nature which cannot be revealed. But when the questions were asked yesterday and the day before, and the answers given had all the uncertainty of deception, one cannot expect parliament to enjoy the respect that it should command. We ought to have been given answers. Today, following the effusive frankness of the Minister of National Defence abroad, the Prime Minister gave answers, and by the time he was through I doubt that one Canadian had one certain idea of what this government intends to do with regard to the organization which has preserved our freedom since 1948. In the interests of preserving this institution I implore ministers to see to it that questions are answered.

There are two new ministers from the west, each without portfolio. These two ministers have in the course of the last six weeks recognized that parliament is entitled to information, and I commend them for the manner in which they have answered questions with regard to departmental matters for

which they only recently accepted responsibility. This should be the course followed by all ministers.

We do not expect ministers to tell us everything. That would not be human. But after the loose nonsense which was spoken at Queen's and the still looser talk at Halifax about Stalingrad, the Nazis and the like, we are entitled to have answers which are appropriate to questions asked about the defence of Canada, even though, because of the limitations of the need for secrecy, full information cannot be given.

I am glad to see that in the last two or three weeks ministers have to a considerable extent removed the shackles of silence. They are showing less fear than they showed following the declaration of eternal silence for them. I only hope that ministers such as the minister of defence, when he returns to this house, will display the same freedom to speak in the house as he has shown abroad.

I listened to our house leader dealing with the subject of prime ministers and their power. It has been an amazing transition that has taken place. There are few who have ever analysed what is happening in our parliamentary system. With the passing years, the power centre has shifted increasingly to the prime minister. The reason is the acceleration of powers that have come about through the practice of successive prime ministers. The expression "prime minister" is not to be found in Canada's written constitution. The British North America Act makes no reference to it. No one was sworn in as prime minister from 1867 until 1920 at which time Right Hon. Arthur Meighen was sworn in as the first prime minister. Since then it is of interest to note that one or two of those who have been prime minister have not taken the oath as prime minister, because there is no position for which such oath can be taken.

• (3:30 p.m.)

Until 1896 there was no designation of the powers of a prime minister. In 1896 Sir Charles Tupper, in the short period he was in office, decided there should be a declaration as to the authority of the prime minister and an order in council was passed which, in general, has been followed by successive prime ministers from Tupper to Mackenzie King.

The last of these power declarations was by Right Hon. Mackenzie King. Mr. St. Laurent, when he followed as prime minister, did not add to or detract from the powers. When I followed him I made no declaration, and my information is that neither did Mr. Pearson, nor the present prime minister. Therefore the powers in general are set out in an order in council which Mr. King had passed in 1935 shortly after he took office.

If I might place it on record, sir, it answers many of the queries as to the powers of the prime minister. It says first:

> A meeting of a committee of the privy council is at the call of the prime minister and, in his absence, of that of the senior privy councillor, if the president of the council be absent.

The quorum is four, and the order in council sets out:

> No submission for approval to the Governor General can be made with a less number than the quorum.
>
> A minister cannot make recommendations to council affecting the discipline of another department.

The prerogative rights of the Prime Minister are the right of dissolution and convocation of parliament, the appointment of privy councillors, of cabinet ministers, of lieutenant governors, of provincial administrators, of the Speaker of the Senate, of the chief justices of all courts, of senators, of subcommittees of council, of treasury board, of the committee of internal economy of the House of Commons, of deputy heads of departments, of the librarians of parliament, of crown appointments in both houses of parliament, and of the Governor General's secretarial staff. I may be wrong in this but my recollection is that Mr. King had this further one added: recommendations in any department.

In other words, the power of the prime minister is an overriding one that knows no challenge. Prime ministers should not make statements off the record outside the house, or in answer to questions, that may give rise to answers that will be prejudicial to the nation, to the people, or lastly to the government. Normally speaking, the average period is some 15 years being a member before becoming prime minister, because the prime minister carries in his person the leadership of the nation. He is the example to the people of the nation, to the youth of the nation and, above all, he must uphold the rights of the institution in which he has the first position; and in saying that I am not forgetting that the Speaker is the First Commoner.

I suggest that we in this house should try out television and see whether it will work. The example that was quoted of what happened in the United Kingdom in the House of Lords, and of the day chosen to test out the

efficacy of television, does not convince me in any way that it would not be helpful.

I can tell you, Mr. Chairman, if we had television in this house, not for all day, not for several hours, but with a committee limiting it to 20 minutes per day, we would have no more absenteeism in the house after the first showing of the television across Canada. I cannot think of anything that to a greater extent would bring about the fullest of attendance than just a daily general survey of the house by a television camera. It would do that which nothing else could possibly achieve.

I hope the government will do everything it can not to appear to push rules down to the house. The President of the Privy Council is an affable and distinguished looking man, but he has developed a complex which is a dangerous one—the idea that he can say to parliament what it is going to do. It was a frightful mistake when this serial presentation of ministers was provided, and it came about when a committee of parliament had been set up and was desirous of bringing about changes. Changes should never be brought about by the autocracy of any minister or by the action of any majority. Changes have got to represent the viewpoint of the house.

Second, in any changes you have in mind remember this: Do not destroy the mission of this house. Some talk of efficiency: "We want parliament to be efficient" has been the cry for 150 years. Parliament is not a joint stock company in which the prime minister is the president of the board of directors, the ministers are directors, and the rest of us are shareholders. Such a concept of parliament will bring about efficiency, as Hitler found and Mussolini found, but what will be lost will be that human element, that desire to co-operate together while differing in detail, to demonstrate that while having strong opinions members are united in one purpose, the pursuance of and the maintenance of freedom.

• (3:40 p.m.)

I hope the President of the Privy Council will not allow himself the luxury of his high position to endeavour to force parliament to do what the government would like. Let him show that fine spirit of co-operation he exhibits from time to time when he is desirous of getting something through but which he forgets thereafter. Let us co-operate together to make this institution, not greater than it has been in the past but the institution that we will defend, rather than join in criticizing at a time when there is such a contagious attitude in all the western world to criticize these institutions which have preserved our freedom for generations.

[Mr. Diefenbaker.]

[*Translation*]

Mr. Deachman: Mr. Chairman, having listened to the French speech delivered by the President of the Privy Council (Mr. Macdonald), I summoned my courage to begin my remarks in French.

An hon. Member: Very good.

Mr. Deachman: The members of the House of Commons were recently given the opportunity of learning French. In 1967, the House of Commons set up a French immersion course at the Royal Military College in Saint-Jean.

This summer, through the co-operation of the Secretary of State, we had French lessons during three weeks under the direction of professors from the Public Service Language School.

Moreover, since last winter we pursued our studies with the help of professors from that school and again in 1968, we had an immersion course in Saint-Jean, this time for a two-week period.

As you can see, Mr. Chairman, with such a service it is possible for a westerner like me to speak French, perhaps not fluently but sufficiently well to share in a not too complicated discussion. In that way, we have helped the progress of the study of the French language in this house, amongst the members and in the public service.

Some hon. Members: Hear, hear.

Mr. Knowles (Winnipeg North Centre): Continue in French.

Some hon. Members: In French, in French.

Mr. Caouette: Everyone noticed the hon. member's ability to express himself well in French. When we hear him relate the various episodes he experienced during his French studies both in the public service and with the members, I wonder whether he did not start learning French well when we went on our trip to Russia a few years ago; at that time, he already expressed himself reasonably well in French.

[*English*]

Mr. Deachman: I wish to thank the hon. member for his compliment and for his remarks.

I should like to continue for a moment or two with regard to another subject in connection with the House of Commons and its services. This alludes to what we were discussing this morning on the question of research services. I was very gratified indeed to see that a sum of money has been provided for an increase in the research services for the office of the Leader of the Official Opposition and the offices of the leaders of other opposition parties in the house. I should like also to refer to the remarks made by the Prime Minister concerning the research services now available in the library of the House of Commons.

There are some things which might be noted about these services. First of all, as was pointed out very ably this morning by the hon. member for Winnipeg North Centre, the services do not include the backbench members on the government side. In fact and in reality they hardly include the back bench members on the other side of the house. These research services are pretty strictly confined to the offices of the leaders of the opposition parties and in fact once they are implemented will not have any real official status.

At this time, although I believe it is apparent to every member of the house, I should like to point out to members how difficult it is in standing committees of the House of Commons, when we examine the government, to have available to us competent assistants in the form of research experts who are capable of guiding us in an intelligent examination of the servants of crown agencies who appear before us. One of the best places to see this phenomenon is in the committee on transport and communications because this committee deals with a subject that is very technical indeed and one which certainly requires a good deal of expertise on the part of members before they can properly come to grips with what is a very complicated and technical subject. If as members of parliament we wished in that committee to examine intelligently let us say the officials of the C.N.R. or, as was the case this morning in respect of the members from Newfoundland, if we wished to examine the new commissioner of the Canadian Transport Commission on the subject of passenger service in Newfoundland, surely we should have available to us through the committee system of the house technical guidance which would enable us at an official level to penetrate the field of administration and examine these people on a competent basis.

Certainly this is the way examinations are carried out in a law court. It is the way the government itself functions through royal commissions and all kinds of other investigations when it wants to find out something and investigate the technicalities of it. This I believe must be a part of the services of the House of Commons if we as backbenchers are to make real progress. I think it must be recognized that within the framework of the House of Commons we are two kinds of people. First of all, we are members of parliament, but in addition to that there are the cabinet ministers who have an administrative function to perform and who have a body of experts who travel with them and assist them whenever they make statements. For our part as members, we have no expertise available to us when we examine the experts whom we must confront each time we have the officials of a department before us during a meeting of a standing committee of the House of Commons. So, when looking at the subject of expanding research, I appeal to the administration today to consider that all of us here in the House of Commons are badly in need of an increased capability built into the committee system which would enable us to perform effectively the work of the standing committees when we examine the estimates and other matters which come before the House of Commons.

I shall not pursue this much further, although I should like to bring out another highlight. When I first came to this house in 1963 the then minister of national defence had promised that he would have established within the House of Commons a committee on national defence. He carried out that promise, so we were the first members of a committee whose function it was generally to look into questions of national defence. We were for the first time faced with the problem of coming to understand the function of a department which was then spending a quarter of the taxes raised from the people of Canada for federal services, namely $1.5 billion. One can readily imagine how difficult it was for a novice in the House of Commons to have any comprehension of what $1.5 billion was, much less how that amount of money could be spent within the framework of a department such as the Department of National Defence which, through tradition, had been very secretive indeed about how its budget was handled and where the money went.

• (3:50 p.m.)

During my years on that committee I gradually came to know a little about what it meant to operate a department which spent $1.5 billion, and how that money was spent. I also came to have some critical ability to talk about the work of the department. But when I came to the study of railway matters in the transport committee, I found myself, much more at a loss to understand what was going on inside the offices of Canadian National Railways, Air Canada or other services under the Department of Transport. I understood less about what was going on in respect of these matters than I did about what was happening within the offices of the Department of National Defence.

This is an area which I do not believe we will be able to penetrate today unless we have at the committee level research facilities available to the members of committees concerned with these matters. Therefore, Mr. Chairman, my appeal in closing these remarks is for the continuation of what we have started today, namely research facilities available to members of parliament on a larger scale, and in so doing to put these departmental matters on a basis available to committees and at a level which committee members can penetrate. This will assist hon. members in following government policy and assessing what should be done in the best public interest.

Mr. Orlikow: Mr. Chairman, I want to deal today with the subject on which we began discussion this morning and which the Prime Minister led off, namely the subject of increased assistance to members of parliament in the field of research. I do this, not in the almost apologetic way in which I felt the Prime Minister backed into this subject, but because in my opinion, and I think in the opinion of people who have studied the functioning of government and parliament in great detail, it is of the utmost importance that all members of parliament, those in government and opposition, including backbench members on the government side of the house, obtain the kind of assistance which will permit them to do the job required.

The government of Canada is every year dealing with more problems which face the Canadian people. We are spending this year over $10.5 billion. In the last dozen years we have more than doubled the expenditures of the federal government. I am not critical of this; I think we have done no more than we ought to have done. Indeed I think there are many things which we ought to have dealt with but have not yet considered. It does not surprise me that the staff available to the Prime Minister and members of the cabinet has been increased at a fantastic rate. I am not critical of that.

I think we all recognize that the staff of this Prime Minister has doubled since the government took office. Speaking from memory—and I do not think I am far wrong in saying this—press reports are that there are now some 28 people, or there were a month ago and this is probably out of date now, working in the Prime Minister's office. This is double the number of people working in the office of Right Hon. Lester B. Pearson, when he was prime minister.

The Prime Minister has decided—and I am not being critical—to open up what he has called regional desks in his office. The *Globe and Mail* of November 4 this year lists some of the people who have already been assigned to the task of handling regional desks. There is Mr. David Thompson, who is the regional officer for western Canada. Jean Hache is looking after the regional desk for the maritimes, and Mr. Levasseur is at the moment looking after the Quebec regional desk. He is looking at Ontario candidates for a replacement for that position. I think this is necessary.

As the right hon. member for Prince Albert said a short while ago, the office of the Prime Minister is increasingly important in the decision making of governments of this country. I think it is necessary and I support the increases which have been made. However, the Prime Minister's office is not the only one which has an increase in staff. What is true of the Prime Minister's office is true, on a smaller scale, of every minister. We now have more ministers than this country has ever had. We have ministers and associate ministers. We have ministers without portfolio. We have a whole host of parliamentary secretaries. Each of these has executive assistants, speech writers and public relations officers.

Mr. Macdonald (Rosedale): Parliamentary secretaries?

Mr. Orlikow: No, the ministers. Like my colleague the hon. member for Skeena, I have not quite been able to figure out, in the six years I have been here, what parliamentary secretaries do, if anything.

Some hon. Members: Oh, oh.

Mr. Orlikow: Therefore, Mr. Chairman, I am not going to deal with them. But each of the ministers has the staff which I have mentioned.

Mr. Knowles (Winnipeg North Centre): The parliamentary secretaries have hope.

Mr. Orlikow: As the member for Winnipeg North Centre has said, parliamentary secretaries live in the hope that they will be something more at a future date.

Mr. Macdonald (Rosedale): That is something you do not have.

Mr. Orlikow: Not only do ministers have the staffs I have mentioned, but they have the full time assistance—I am not being critical; it could not be any other way—of a very competent civil service which is there to help them develop programs, draft legislation and work out the details of the expenditures their departments will be making. This is the way parliamentary government must work, and I have no objection to that. I do object to the feeling which I have had since I came to this house—and I am sure hon. members who were here before me feel this even stronger than I do—that on the government benches there is an attitude that somehow this government and its party have an almost divine right to rule the country. I happen to believe in democracy. It is at least theoretically possible that at some time in the future some members on this side—I am not even going to say members of the party to which I belong—will be sitting on the other side of the house and forming a government. If this is so, and if the democratic system is to function effectively, surely the opposition must be able to develop alternative policies to those proposed by the government.

• (4:00 p.m.)

If that is so, surely the opposition must be able to look in detail and in depth at the policies the government proposes. Surely the opposition must be able to look at the programs which are now operating, and at the expenditures of each department which, as I mentioned earlier, amount in total to more than $10½ billion this year. If one is to do that, he must have the technical training, the skill, the knowledge and the knowhow to do it in detail. I submit that there are very few members of parliament, if any, who have either the technical knowledge—and certainly there are no members of parliament who have the time—or the knowhow to go into the kind of detailed study of all the facets of government operation, legislation and expenditures which is necessary to do the job, and still do their work as members of parliament. This is as true of the members of the opposition in 1968 as it was of the members of the opposition in the period from 1957 to 1963, who are now sitting on the government side of the house.

I can speak only from my own experience. Since I came here in 1962 we have inaugurated a whole series of programs in which I believe, in principle, and which I support in principle; and yet on the basis of what I have been able to see and on the basis of discussions I have been able to have with people whom I know to be experts in the field—not people who work for the government but people in universities, in the co-operative movement, in trade unions and in the business world—I am satisfied we are making some major mistakes, and we are wasting a good deal of money. I am not suggesting for a moment that there is deliberate sabotage and that the government is doing this knowingly. I am simply saying that on the basis of my experience I have some very important reservations, and I shall deal with them very briefly, just to illustrate what I have in mind.

We have a new Department of Manpower and Immigration. We are spending a very substantial amount of money on manpower training, but we need to spend more money on that than we have spent until now because in our increasingly technological age a person who wants to work and who does not have the skills required has virtually no chance of getting any kind of decent wage. Yet the fact is that if you discuss the problem of manpower training with the provincial departments of education you find a pretty general feeling that to a large extent our whole program is on the wrong foot and that we are not doing the job that is required. No doubt the provincial departments have their faults, as I well know, but they still have more knowledge about education, both for young people and for adults, than any other group in the country.

A week or so ago the Minister of Manpower and Immigration, in answer to questions, told members of the house that this year the department was spending substantially more on manpower training programs in Ontario and Quebec—these were the two provinces about which he was questioned—than it had spent last year. Yet I saw the most recent figures for the number of people who are

enrolled in manpower training courses in the city of Toronto, courses financed by the federal government's program, and I saw too that in the last month or so we have simply come back in terms of numbers to the number of people who were being educated two years ago under manpower training programs in the city of Toronto, one of the two largest labour markets of the country. That was the time when this program was initiated, and when the former agreements with the provinces were wiped out. I say that in my opinion and in the opinion of the people to whom I have spoken, and who are much more expert and much less political than I am, there is something basically wrong with our manpower training programs.

I submit that it is virtually impossible for members of parliament, because of the pressure of time and the large number of subjects they have to deal with, to do the kind of detailed examination required. Let us look at the ARDA programs. There is not a member of parliament who would disagree with the basic principle enunciated in the ARDA legislation and programs. Certainly we need to do something very drastic to get rid of rural poverty. We know that a substantial majority of the people who are living in poverty in Canada are living in rural areas of this country, both in eastern and in western Canada, and the original idea of ARDA, that the government of Canada in co-operation with the provinces would begin a program of consolidating land holdings and making individual farms larger, so that the people who remain will be able to earn a living of a kind which one can expect in a rich country like Canada in 1968, is a good idea.

I am told by a man whom I consider to be the most knowledgeable expert in the field of agricultural economics in Canada that until recently we gave very little thought to our ARDA programs and to the problems, not of those people who will remain on large farms and who hopefully will be able to make a decent living, but to the problems of those people whose farms will be purchased and who hopefully will move away from the farms on which they have lived for generations.

Where are they to go? These are people with very little education. What will they do when they move into the cities and towns of Canada? Will they become simply more unemployed and unemployable people? I think these are very valid questions which need to be asked, and I would hope that at some point the whole ARDA program would be scrutinized in greatest detail. I suggest that to do this members of the opposition, and indeed members on all sides, need to have the kind of expert advice we have not had up to now.

In my opinion one of the saddest debacles, of what should have been a wonderful and exciting idea, which I have seen since I came here in 1962 is what has happened to the Company of Young Canadians. The idea is excellent; it was an exciting one, but if one looks at the projects they have initiated and have tried to accomplish since the company was first set up he sees that there has been disaster after disaster. Project after project was begun, continued for a few months and then abandoned.

Why was that? This is the kind of thing members of parliament, either here in the house or in committee, ought to be looking at in depth. But to do that you need a team of trained people, you need economists, sociologists and community development people which we in the opposition do not have. We cannot expect the government or the permanent officials of departments or of the board of directors of the Company of Young Canadians to supply us with that kind of information.

• (4:10 p.m.)

After all, and I do not say this in any critical way, they have a vested interest in defending and explaining the things which they have been trying to do. Let me give one last example, Mr. Chairman. I suppose the most exciting idea which has come along in the field of Indian affairs, not just since I came here in 1962 but in the last 25 years, is the new idea of community development, which hopefully would have turned the corner and given us a breakthrough in the 100 years of Indian poverty and paternalism on the part of the officials of the Indian affairs branch. The suggestion was to appoint young people, sociologists and economists, people skilled in working with groups, who would not be part of the bureaucracy which tells the Indians what they are to do if they are to get their welfare, a little bit of education, a road or a bridge, who would work with the Indians to help them verbalize or put in writing what the Indians themselves want. It was a wonderful idea, Mr. Chairman.

I had the opportunity of seeing the draft of the original proposal which went to the cabinet, and it excited me. I thought it was a great

idea. What has happened to it? The idea of community development, to all intents and purposes, is dead. Why? I believe, and the people who started the project believe, that the permanent officials in the Indian affairs department did not want this development. As soon as these people started to do a job, as soon as the Indians started to make their complaints vocally, the permanent officials in one way or another cut the heart out of the community development program.

I have given these illustrations, and I am sure the members of parliament on both sides could give another dozen illustrations. I believe I am putting the case conservatively because I am convinced that if the members of parliament on both sides of the house are to do the job which they were sent here to do, to represent the people who elected them, to represent all the philosophies in which we believe, then in this day and age when government has such tremendous agendas before it we must have the facilities to do the things which we have not been able to do in the past. I think the hon. member for Vancouver-Quadra was right when he talked about—

Mr. Woolliams: Did he make a speech?

Mr. Orlikow: He did; one of the few he makes. He talked about the importance of the research facilities being provided in the library of parliament. I think they are important but they are not really what members of parliament, certainly not what opposition members of parliament need. It is not just factual information which one needs. What the members of the Conservative party, the members of my party and the members of the Creditiste party need are experts who have the same general view about social and economic problems which these members have. These experts could help us deal with the proposals which the government is bringing forward; they could help us deal in detail with the expenditures of the various departments of government.

I began by saying that I supported the very feeble beginning the Prime Minister announced today. I suppose one slice of bread is better than no bread at all. I want so say that when you compare this proposal with the kind of research and technical assistance in all matters given to members of the United States Congress and Senate, you can see how woefully weak and feeble this proposal is. I know that there is a vast difference between the United States system and the Canadian system. There is a vast difference between the parliamentary system under which we operate, and the division between the executive and legislative branches of the government in the United States. But I want to say that in my opinion a great deal more needs to be done than the government proposes to do now.

I want to conclude by quoting just one paragraph from an article which appeared in the winter issue of the *Queen's Quarterly* for the year 1957. This article is entitled, "Toward a well-informed parliament" and it was written by Mr. Donald Eldon, who was at that time research director of the Progressive Conservative party. I will just read the first paragraph of the article because I think it is one to which the government ought to give some consideration:

> Are Canadian politicians well informed? Sound legislation will come out of parliament only if alternative viewpoints and prescriptions for government action are expressed clearly and accurately. The more complex government becomes, the greater is the need for clear talk in parliament. Yet today it is increasingly difficult for the legislator to master the many subjects upon which he must speak and pass judgment, unless he is adequately served by an expert research staff. In an era of complex government there is a danger that only the cabinet, which has direct access to the experts of the civil service, will be well informed. As a result there is grave danger in Canada that the government backbencher and the opposition collectively who do not, generally speaking, have access to as many competent sources of information as the ministers, will become ciphers.

Well Mr. Chairman, 11 years have passed since that article was written. The budget of the Canadian government has doubled since that time. Legislation, such as the Canada Pension Plan, the medicare plan, and the employee training plan, to mention but a few which affect the welfare of every Canadian citizen has been passed. However the basic problem which Mr. Eldon discussed in 1957 is still with us. In closing I want to say that while I welcome the beginning we are making today, I think it is a very small beginning. I feel we have a right to say to the people of Canada that government is big business now, that the people who serve in parliament if they are to do a job must have the tools to help them to look carefully and in detail at the proposals which come before parliament. We should be given the tools to do that job. I wish that the government would really believe that. If it did it would do a great deal more than it is proposing to do today.

Mr. Mongrain: I should like to begin, Mr. Chairman, by congratulating the President of

the Privy Council and the hon. member for Vancouver Quadra upon having made part of their speech in French. I can say that their fluency and the grammatical correctness of their remarks deserves congratulation. Since I have mentioned these two names, I think congratulations should also be extended to the English members of this house who take every opportunity to say a few words in French. I think this gesture on their part is doing more to promote national unity and prevent separatism in my province than anything else, and I think it is worth while to underline this.

• (4:20 p.m.)

Mr. Knowles (Winnipeg North Centre): Vous parlez très bien l'anglais.

Mr. Mongrain: I extend my congratulations also to the hon. member for Winnipeg North Centre. I will remember that city all my life because I won an election once in Winnipeg.

Mr. Orlikow: For which party?

Mr. Mongrain: It was not a political affair but an honest affair.

[*Translation*]

Mr. Chairman, an hon. member who spoke earlier blamed the government for trying to display a kind of superiority complex, a kind of inclination to create an impression that it had a divine right to administer alone the estimates of this country, and he said that it might be an infringement upon the democratic system. This had already been mentioned by previous speakers.

However, we should remember that we all believe in the democratic system. We are convinced that, at a given time, through the democratic process, people choose a government and, under these circumstances, they gave it a majority which does not lead to confusion and does not allow any doubt. However, a government which has received the confidence of the people in our democratic system, still has to perform its duties, to assume its responsibilities, to make decisions and not let these endless proceedings be carried on sometimes indefinitely by people who have some interest in filibustering. There comes a time when the government must put its foot down, so that the people can say to it in the next elections that it has done well, or poorly. But the people will have accomplishments to weigh, analyse and study. However, if we continue, under the cover of democracy, to chit-chat indefinitely, we will accomplish nothing.

Instead of blaming the government, I feel we should congratulate it for having the courage to assume its responsibilities. Besides, the opposition has every opportunity to criticize; for instance, look at the question period where the opposition absolutely monopolizes the attention of the ministers who are there and that of the government, and the interviews broadcast on the radio, on television, and those published in the newspapers. We know the opposition benefits much more from them than the government, because when it blames the government it makes the headlines. I do not believe the opposition can complain about being muzzled and being unable to exercise its rights as the opposition. On the contrary, it exercises it with zeal.

Someone talked earlier—my remarks are a little disconnected because I am trying to hurry—about putting research facilities at the disposal of the leaders of the opposition parties.

I would like to call the attention of my colleagues to the rather extraordinary research possibilities which exist here in parliament. There is for instance—I am saying that for ordinary members—the parliamentary library. The national library does not have any specialized research staff, but it boasts an outstanding classification system. It includes among other things the catalogues of all the main libraries in Canada. Should a member of parliament, a senator or a minister need a work of reference not available in parliament, he can contact the national library and he will be told where to get it if it is not available at the national library. We might add to that the library of Toronto and other provincial librairies that have catalogues of all the books that are in the other libraries.

Moreover, Mr. Chairman, I would like to make a recommendation to the government. I think it would be important if the staff of our national library included a well-organized group of researchers, able to assist all Canadians who would like to devote themselves to scientific, literary or other studies and who could have at their disposal, after a few minutes' notice, this mine of information or at least get the information they need, instead of devoting months and years looking for it themselves, with inadequate means. This would be a remarkable service to render the Canadian community and it might be

even more important than making a research service available to the leaders of the opposition.

But certain things amused me a while ago, Mr. Chairman, when I heard the party leaders or their spokesmen give their impressions about the announcement made by the right hon. Prime Minister (Mr. Trudeau), to the effect that he would provide for each party supplementary allowances to enable them to secure the services of research workers.

I was glad to see that they first expressed their gratitude, which is good, but I listened more carefully to what the leader of the Ralliement Créditiste (Mr. Caouette) had to say. As I have said before, he interests me particularly. But this time, I agree with him. For instance, he said that the Ralliement Créditiste would receive only $35,000 while the official opposition would receive from $120,000 to $150,000—I do not know exactly—and I find that he is right. As a matter of fact, the sum of $120,000, should be granted to the leader of the Ralliement Créditiste, but perhaps not for the reason he thinks. He said that the Prime Minister recognized the importance of the opposition. He even suggested that the importance of the Ralliement Créditiste was recognized when he said that certain things should be told before the elections, not after. In short, he would like the Liberal party to organize the publicity of the Ralliement Créditiste during election campaigns. I think that he will admit just the same that the Liberal party has consideration for him and I will support his motion under which he wishes to obtain $120,000, because he may need it more than the others. It is just as good a way as any other to render him that service and agree with him. In supporting this recommendation that he be granted $120,000 for research work, I would only make one reservation. He should not use that money for partisan work. But even then, Mr. Chairman, I think that the more the population will know about the lucubrations of the leader of the Ralliement Créditiste, the more they will be inclined to vote intelligently.

Now, I still intend to support the request of the leader of the Ralliement Créditiste.

[*English*]

The Chairman: Order, please. The hon. member for Lotbinière on a question of privilege.

• (4:30 p.m.)

Mr. Fortin: Mr. Chairman, I rise on a question of privilege. It is very pleasant to hear the wild and woolly remarks of the hon. member for Trois-Rivières (Mr. Mongrain), but I will not tolerate his insinuations about the leader of the Ralliement Créditiste, the hon. member for Témiscamingue (Mr. Caouette), to the effect that he would use the funds that will be given to him for political propaganda.

I would like to point out to him that we showed better manners. In fact, we congratulated the Prime Minister (Mr. Trudeau) for having taken that step, and we did not suspect his motives. I would like the hon. member to withdraw his remarks and to say to the house that the hon. member for Témiscamingue will not use that money for political propaganda against the hon. member for Trois-Rivières, because, if we did, he would no longer be a member of parliament.

Mr. Mongrain: You will note, Mr. Chairman, that there is no pleasing them. When I support them, they protest; when I blame them, they protest again. We will never get along, of course, as long as they act like that. However, I mentioned one thing that I suspected. I suppose that what worries them is not really what I think or what others think, because if they were granted $120,000, they would not refuse that money. If I asked the leader of the Ralliement Créditiste that question, I am quite sure that he would agree. He would be very happy to have people at hand to do research for him. That is what I said, more or less. I fail to see therefore what remarks I should withdraw, unless I am asked to oppose that proposal, something I have not done.

Mr. Caouette: That would not upset anything.

Mr. Mongrain: On the contrary, it would put a lot of things right.

Mr. Caouette: It would not change anything because your opposition is not worth much.

Mr. Mongrain: Did I hear the hon. member say that his opposition is not worth much?

Mr. Caouette: Yours.

Mr. Mongrain: Mr. Chairman, I go on with my remarks.

I also listened to the remarks of the hon. member for Peace River (Mr. Baldwin) who, I believe, is the right hand man of the official

opposition, even though he sits on his leader's left. He said that the government bills seemed mainly designed to deprive the opposition of the power which should normally be given parliament.

It is about the same reaction we might have upon hearing the remark I mentioned earlier concerning what I said about the member for Winnppeg North (Mr. Orlikow). Nevertheless it must be recognized that we have a government elected with an unquestionable majority, a great majority, a government to which the nation has given a mandate. They draft their bills, introduce them in the house and give the opposition the opportunity to criticize them or move amendments. Many of these are proposed in parliamentary committees. I know that some opposition members who meet ministers in private make constructive suggestions which are accepted, but a decision must finally be taken and the government assumes its responsibilities, even though, afterwards, it must answer for them to the people.

The hon. member for Peace River added that he would like to keep his right of criticizing the government, of calling it to account. That is perfectly in order and I do not think that he is frustrated of anything. Indeed I think—and that goes for all the opposition—that he has more opportunities to criticize the government than we have ourselves.

We allow ourselves to criticize under certain circumstances and our friends sometimes regret that we do not do it publicly. We do it unobtrusively, because we are not bent on making the headlines; we are not looking for newspaper articles stating that one part of the Liberal caucus is deeply divided against the other. We are trying to solve the problems, but we have no objection when the opposition takes all possible means to criticize the legislation of the government, because we feel that it is a democratic attitude.

However, we should not be grudged what was termed a while ago excessive secrecy and discretion. It is quite obvious that the Liberal party does now wash its dirty linen in public, but does it at home. We should not be compelled to perform a self-examination here in the house, as is done in certain religious orders where public confession takes place. I do not think one can demand those things from us.

The right hon. member for Prince Albert (Mr. Diefenbaker) said that he wished debates of the house were televised. I know several members in this house—I for one—who would not be too keen about the idea.

Of course, the member for Prince Albert would try to monopolize the 20 minute period, or perhaps the member for Temiscamingue would try and secure part of it. This would not settle the problem of backbenchers, even though the member for Prince Albert said that it could perhaps help, in discouraging absenteeism. Maybe we could compromise and televise certain debates of parliamentary committees. But as far as discussions of more important questions in this house is concerned, I object. But Mr. Chairman, this is not my main point.

My main purpose in rising now was to make a recommendation to the government and to the right hon. Prime Minister with all the energy I can possibly command.

I think that it was a very good thing to provide the opposition with research services. I agree on that with everyone. However, we should go further. The most urgent priority is to allow all members—those in opposition as well as those in the government—to hire someone to replace him in his riding, whether we call him a secretary or whatever name we want to give him. I think that this is a must for all kinds of reasons.

First, this secretariat could be used as an information centre for the riding. There are many government agencies but not everyone knows where to find them. Not everyone knows how to get in touch with us.

The office of the member is normally a sort of clearing house, an information centre for the distribution of information. However, the member is not there at least five days a week, and some do not even go home on week-ends.

It would be very important to have a representative in the riding in order to serve the public in every respect. This representative could also, sometimes, call the attention of the government on the deficiencies of some services, about which we hear sometimes several weeks or months later when the situation has deteriorated. The people who are on the spot would receive the complaints day after day and could bring them to the attention of their member. This might be used by the opposition as an argument, but it would at least provide some material for the members of the government.

In many cases, this secretary could settle a lot of problems which end up in the office of the members in Ottawa and which he does not have time to settle because, in a very short period of time, the secretary could get

used to the job and know where to go so as to settle these cases. Therefore, he would relieve the member of what we might call routine or what my honourable friend called earlier Joe's work, the daily work which anybody can do with no need to refer it to the member.

Under certain circumstances, he could replace the member who is in Ottawa, at official functions, where the mayor, the aldermen, the school board presidents are invited. The secretary of the federal member could go and represent not only the member but also the government. This would relieve the member of parliament from a number of problems that would not end up on his desk, because they would be settled right then and there.

I need not explain, I think, the work of a member of parliament. As a matter of fact, he comes to his office in the morning and sees on his desk a pile of mail. He has to study bills and the briefs that are sent to him from all parts of this country, read his voluminous correspondence, sit on committees, examine carefully reports from previous procedures, run from one committee room to two or three others, eat a quick lunch at noon, attend as often as possible the sittings of the house. He must answer all mail and prepare the interventions he will make in the house and the speeches he will be called upon to deliver before social clubs, commerce chambers or other such organizations. It is materially and physically impossible for him to collect the documents he needs.

Then the riding secretary would unburden us from the administrative work, which would result in our being able to do a better job here with the means available to us. We would be able to study more thoroughly the legislation on which we are called upon to give our opinion, to prepare more carefully our contribution to parliamentary committees, as well as the speeches we have to deliver on occasion here and there. I imagine there are some members who are quite satisfied to have their speeches prepared by others, but I think the majority of the members would prefer to prepare themselves their own speeches and to write them down in their own words and in the way they would like their audience to understand them.

Mr. Chairman, this is the view of my observations. I should like to insist, with my friend the member for Papineau (Mr. Ouellet) and some of my colleagues of the opposition, and tell the right honourable Prime Minister and the government that the first priority, as far as services are concerned—now that the question of the research personnel for the leaders of the parties of the opposition has been settled—should be to give each members, in his riding, a secretary or assistant—call him what you will—because the amount of work to be done is accumulating at such a dizzy rate that we are swamped by responsibilities and events and we cannot give our electors the services to which they are entitled in view of what the Canadian budget costs them.

I support that recommendation wholeheartedly in the hope that it will be taken into consideration and that journalists will not see in it a deep split between the back-benchers and members of the cabinet.

• (4:40 p.m.)

Mr. Macquarrie: Mr. Chairman, I like nothing better than a crowded house; I like an expectant audience! I will not follow the example of two hon. members opposite and inflict my fragile, fractured and fragmented French on the house, because I have too much respect for that fine language. I warn my hon. friend from Winnipeg North Centre that I will not swing in behind him in his crusade against the Senate. He said he wanted to be here forever. I too hope to be here for a long time. Perhaps when I am 74½ I shall join his crusade against that illustrious body, but not before then. I live hopefully in hope.

This is the kind of important debate that comes up from time to time in which we all ought to participate. Down through the years people have been concerned about parliamentary institutions. In the present day there are many reasons for thoughtful people to be more concerned than usual about this institution to which we belong.

We are all aware of the complexity and multiplicity of legislation today. In Canada, elections have come with a frequency which has done dreadful things to legislative programs, to order papers, to fiscal years and God knows what else. We are developing, too, an area of government in the field of dominion-provincial relations which is extremely difficult to comprehend because so much of what is decided behind closed doors rather than in the full light of a legislative body. There are times, also, when we are given to too much partisanship in our legislative bodies. I never could believe that the ties of party could be so strong that even on procedural matters there would be a party line. But at times this is a fact.

We are sensitive to the fact that in these days all the institutions of the establishment are under fire. It seems that any institution which exists is, in the minds of many people, automatically ready for discard. Change for the sake of change is often the order of the day.

I think we would be most insensitive in this parliament if we believed for a moment that just because it is old and ancient it is bound to survive and command the respect of the people it serves. It is important that we should strive not only to be effective but to appear effective—to appear efficient, to appear relevant, to appear "plugged-in" to the problems and the people about us. It is not unusual for politicians or, as we like to call ourselves, parliamentarians, to be criticized. We are used to that. We are a familiar stereotype. But when the parliamentary institution itself is denigrated and when it begins to lose respect, it becomes a matter for real and genuine concern. The institution must perform the functions for which it is established. The author of one of our great classics in political science was old Bagehot—bigot Bagehot, as we used to call him; but he was a very wise man, nevertheless. This is what he had to say:

> The House of Commons needs to be impressive, and impressive it is: but its use resides not in its appearance but in its reality. Its office is not to win power by awing mankind, but to use power in governing mankind.

This, surely, is what we are grappling with when we seek to examine our structures and our procedures. Many interesting things have been said today—many things with which I agree and some with which I disagree. I do not agree with the Prime Minister that the research staff is adequate. I think it is inadequate. May I explain that I think it is inadequate numerically; the people there are doing an excellent job, but there are not enough of them. Many of us who use the services of the research staff with great satisfaction would be glad to use them a great deal more if there were more personnel. I say that the time to expand this service is now.

It is often said that the only people who approve of television in the House of Commons are those who have the physiognomy of a Greek god. I wonder if I am betraying my class when I say I am coming increasingly to the conclusion that we should probably be moving in the right direction if instead of having television off to one side, as is happening now, and the nation being governed in part by television, television should come into the legislative institution itself. This may be hard on some of us who have long passed the age of beauty, but I think we would have to endure these circumstances. If the hon. gentleman questions that, I thank him heartily for his cheerful disclaimer.

There are in my view some obsolete and obsolescent practices which we must discard for the sake of efficiency. I have never yet made a speech on this subject without talking about voting machines. Imagine what must go on in the minds of the people in the galleries when they hear a vote called. The Speaker says "Bring in the members" and then they hear the bells ringing for as long as an hour and a half or more. They look at the order paper and note that the vote is scheduled for 9.45 or some such hour. Yet we go on with the present silly practice.

Mr. Knowles (Winnipeg North Centre): Is the hon. member not aware that we have made some improvement in voting procedure by prescribing that when a vote is set for a specific time the bells must not ring for more than 15 minutes?

Mr. Macquarrie: That is excellent, a move in the right direction. But I want further improvement to be made, having discovered that since I came here 11 years ago—and that is not a long time compared with the record of the hon. member for Winnipeg North Centre—I have spent the equivalent of 30 sitting days waiting for bells to stop ringing, and though I do not think my time is the most precious in the world I still believe there are better ways of disposing of it.

That is why I would welcome this improvement. If the hon. gentleman could bring about the installation of electronic voting machines we shall have gone even further. We should not be afraid of change. It is necessary to change, though naturally we should not be afraid to retain things of value which have existed for some time.

One thing which concerns me more than anything I have mentioned so far is the growing tendency to by-pass parliament, and I am afraid that the present Prime Minister may be the chief practitioner in this dangerous course. It would be serious if the head of the executive arm should opt out of parliament on important occasions. The Prime Minister of Canada cannot really become a president, our system is not designed in that way. He derives his strength from the public, of course, but he functions only as he commands day in and day out the support of the House of Commons. While ten minute confrontations

with students or with Haligonians, or with a few Liberals here and there are very interesting, and make good copy, it is not representative government; it is not direct democracy, either.

The people of Canada are represented in this chamber. Every part of the country is represented here. It is not necessary to have street confrontations to know what Newfoundlanders think of the railway situation. We heard their views eloquently expressed by six able members of this house the other day. It is not necessary to stand on the street corner of Halifax to discover what the people of Atlantic Canada think of the causeway. And no one needs to confront the students in Regina, either, in front of the statue of Louis Riél, or behind it, to know what the people of the west think of the wheat situation. Their representatives here have been telling us succinctly and powerfully.

This is the place where the people are represented. Scattered contacts, however dramatic and pleasing, are no substitute for the continuing relationship between the executive and legislative, which is the very cornerstone of our system. Some of us can remember when a man by the name of Walter Gordon, once a well known figure here, brought in some outside experts. There was a great deal of talk about those outside experts. This is again a matter of public interest inasmuch as the Prime Minister is drawing about him a cadre of experts—150 of them, I believe—who will keep him informed as to the points of view of Canadians everywhere. These are to be the spotters of public opinion.

I do not know what this will do. Naturally, we would like the Prime Minister to see as much as he can, to talk to as many people as he can, and to go to as many parties as he can. That is an excellent thing.

• (4:50 p.m.)

We like to hear of this sort of thing, but where is the voice of the member of parliament, especially the voice of his own caucus?

The hon. member for Peace River quoted the Montreal *Gazette*, and to show how ecumenical this party is I am going to quote the following from an editorial which appeared in the Toronto *Globe and Mail*:

> The student mob scene in Regina and the Halifax sidewalk debate on feeding Nazis at Stalingrad may have moved him to reponder Falstaff's advice on discretion and valour—
>
> Yet beyond this maladroitness of technique emerge doubts of principle. First, and perhaps most gravely for democratic statecraft, Mr. Trudeau's compulsion to converse with the people seems often to by-pass the people's designated spokesmen. A free electorate can readily bear the curbing of an ambitious bureaucracy, but can it tolerate the downgrading of the men it voted in to state its views?

This is a very important question which the *Globe and Mail* is asking.

> The Prime Minister's proposal to set up a network of some 150 hand-picked citizens to advise him on what the people want and think must be regarded as at least a slight to elected Liberal members. No one suspects Mr. Trudeau of wishing to establish a nation-wide ring of more or less secret agents. But one can question the need for such a P.M.'s council when the law and the people's free choice provide for official local spokesmen.

That is what we are here for.

> One can ask too whether such shadowy informants can truly reflect the views of the majority of citizens. One can wonder whether they will dare speak frankly to a man or a party from whom they might, however distantly or unconsciously, expect some favour—

Here I am in a very embarrassing area. I believe the suggestion is of patronage.

> —even the favour of being categorized as one of the 150 insiders.

The the *Globe and Mail* says:

> Finally, one must question still more deeply whether any such elitist scheme to channel opinions is basically democratic. From the leaks about the network's composition, it appears its structure will be priestly and corporatist—the fears and feelings of the masses will be conveyed on high by a hierarchy representing special groups. (As if there were not enough special groups—from the Canadian Labour Congress to the Canadian Manufacturers Association—anxious to advise the Prime Minister.)

Now, that is one aspect—

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

Mr. Macquarrie: Surely.

Mr. Walker: Was he in the house when his leader spoke to the Prime Minister's suggestion of making funds available for research to opposition members? Was the hon. member here when his leader really served notice on the house that the funds, so far as the official opposition was concerned, might well be used for this type of outside assistance for their own party, the type the hon. member is now suggesting would not be proper for this side of the house?

Mr. Macquarrie: I think my good friend, and I say this in more than a parliamentary sense, misunderstands me. Of course we do not assume in the Conservative party that all wisdom lies within our caucus. Our leader

would certainly be the kind of person who would be consulting with us; but we in the Conservative party are always ready and eager to consult with people outside it. We would even like to consult with people across the aisle. We are ecumenical in our search to broaden our understanding and knowledge. There is nothing narrow about us. My concern is that those of us who are here to be consulted in a primary sense are being by-passed. However, that will not happen in our party, and I hope it will not happen in the hon. member's party.

Mr. Baldwin: We often ask for knowledge but we don't often get it from the members over there.

Mr. Macquarrie: As my house leader points out, very often we try to find out things and you will not really tell us. However, Mr. Chairman, I do not have the time this afternoon to develop either on a philosophic or a pragmatic line this quite important matter.

I think there is a danger of this parliamentary institution being by-passed, being short circuited in this media day of image building, and this could be very serious. I think there are two aspects to what I am trying to suggest. I believe it is very dangerous for the executive to do this. Also it is very much incumbent upon this institution, upon this house, to put itself in such a state of relevancy and effectiveness that it will not be in danger of being scorned and having the public suggest that perhaps in fact it is not functioning as well as it is. I hope my fears are not well grounded, but as I look over what has happened in this country in the last few months there are times when I fear that in a year or two the Canadian people might wonder if majority governments in fact are all that beneficial.

[*Translation*]

Mr. Fortin: Mr. Chairman, I would have several remarks to make on these votes, especially as regards the organization and staff of the House of Commons, but since they would require a lengthy preparation, I should like to call it five o'clock right away. I will speak when this vote comes up again, as I would not like to split up my speech.

[*English*]

The Acting Chairman (Mr. Richard): Order. It being five o'clock it is my duty to rise, report certain resolutions, and request leave to sit again at the next sitting of the house.

Resolutions adopted in committee of supply this day reported and concurred in.

[Mr. Macquarrie.]

COMMITTEES OF THE HOUSE

ORDER RESPECTING TRANSLATION

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I wonder if we might have permission to revert to motions in order to put to the house the motion which I suggested we might make with respect to an experimental practice concerning translations in committees?

The Acting Speaker (Mr. Richard): Has the minister leave to revert to motions?

Some hon. Members: Agreed.

Mr. Macdonald (Rosedale): Mr. Speaker, as I indicated during committee discussion on the legislation estimates I think there might be found to be agreement in the house for an order somewhat along the following lines:

That, until the end of the calendar year 1968, in lieu of a written translation of a report of proceedings in any standing or special committee of this house, a transcription of the oral interpretation, as revised, of proceedings in any such committee may be made and printed and, if made and printed, the same shall be deemed to be an official report of proceedings in that committee; and such transcription, as revised, may be used in relation to any proceeding in any such committee or in this house.

Perhaps if there is consent that might be made an order of the house now.

The Acting Speaker (Mr. Richard): Is it the wish of the house to give unanimous consent?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Richard): It is so ordered. It being five o'clock the house will now proceed to the consideration of private members business as listed on today's order paper, namely, public bills.

CANADA ELECTIONS ACT

AMENDMENT RESPECTING QUALIFICATION OF VOTERS AND CANDIDATES

Mr. Robert Stanbury (York-Scarborough) moved the second reading of Bill No. C-8, to amend the Canada Elections Act (qualifications of voters and candidates).

He said: Mr. Speaker, Bill C-8 is a revival of a bill which was introduced by me in the last parliament. It would provide that Canadian citizenship be a standard qualification for electors and candidates in Canadian federal

elections. The motivation for this measure arises not only from a desire to achieve greater justice among those who have chosen Canada as their home, but also to try to do something to cope with the very serious problem that I believe exists with the large number of people resident in Canada and eligible for Canadian citizenship, but who have not applied to become Canadian citizens.

• (5:00 p.m.)

During the last parliament, through placing a question on the order paper, I found that the estimate of the Dominion Bureau of Statistics extracted from figures in the 1961 census of Canada indicated that there were some 453,441 people at that time who still held citizenship in the countries from which they came, although they had been resident in Canada for more than five years. I since have seen estimates which I believe to be more accurate. One of them was made recently before the standing committee on broadcasting. This estimate placed the figure at about one million people, and my own estimate would place the number at almost one million. It appears to me that while almost 35 per cent of aliens who are eligible for citizenship have not applied, the percentage of eligible British subject immigrants who have not applied is something like 70 per cent. My concern is that not only British subjects but citizens of all countries who have chosen Canada as their new home should be encouraged, through equal treatment in the law, to consider Canadian citizenship as being worth while and to acquire it as quickly as possible.

As I mentioned, this bill was first introduced by me more than two years ago. Since it does seem to have some bearing on citizenship I suppose there might be a suggestion that the Secretary of State (Mr. Pelletier) might have had some hand in this idea, but of course it is very clear that that is not the case, it having been introduced more than two years ago. The bill deals not directly with matters of citizenship but with matters of electoral reform which come under the jurisdiction of the President of the Privy Council (Mr. Macdonald). I suggest that this proposal, and other proposals for reform of our electoral law, should be studied by a standing committee of this house as soon as possible. I believe the President of the Privy Council has indicated that such a study might take place at the beginning of the new year. I hope therefore that this bill might be referred to that committee for study of its provisions and the problem out of which it arises. I do not suggest that the proposal I make will solve the problem I have outlined. I do think however, that it would create a more equitable situation in a country which is made up of many different races and of immigrants from many different sources.

Naturally a proposal such as this raises some heated reaction, and I think predictably so. I might share with hon. members some of this reaction which has been both pro and con. One gentleman in Toronto wrote to me, saying in part:

> Your name sir is Stanbury, an old country Anglo-Saxon name, yet you have the gall to do this treasonable act toward the greatest tradition in the whole world's history by removing this just preference. I was born in the north of Ireland myself and if I was in good health at over 65 years of age I would sure invite you to a duel.

Another letter from the Toronto area addresses me as "the anti-Britisher" and says:

> What are you doing about the frogs? The next time I come face to face with your ochre face Stanbury, I will bury you, chicken.

Then this letter from Oakville says:

> Jew loving bastard:
>
> We killed many Germans in this last war, not one of them as vile as you.
>
> You are a disgrace to the name you bear. It will be removed from you and your family.

I will censor the next sentence because I think it is too rich even for this place. It ends up with the words "Death to traitors".

I received a letter, too, from something called "The New Right". It refers me to the Bible and says:

> As the British people are part of modern Israel, one would do well to read Isaiah, chapter 54, verse 17, and take warning.

Well, perhaps it is significant that I did receive another kind of letter from a Jewish person in Toronto who said:

> Bravo!
>
> If we are a truly sovereign nation we should not give preferential treatment to immigrants from any country (except possibly ex-Canadians).

Mr. Woolliams: Are you going to name these people?

Mr. Groos: It is alright; you can relax.

Mr. Stanbury: I will be glad to show these to my hon. friend.

Another person writes:

> —you are right. As a former British subject I voted before I was able to become a citizen but I always felt guilty for doing so. I hope it becomes illegal.

I refer to another letter which in part reads:

I myself am of Irish nationality with Canadian citizenship so I can speak from personal experience of the views of my English and Irish friends and their absolute rejection of Canadian citizenship as something they don't need. Up until now with the privileges afforded Anglo-Saxon immigrants they didn't, as they put it, need it to participate in the affairs of this country if they felt so inclined.

The fact that they find the country good enough to live in and enjoy the fruits of our high standard of living and yet will not hold up their heads to be counted as Canadians is one hypocrisy that gets me really mad. I do not know if this sense of national feeling is something my Irish heritage brings out in me but I really feel that passiveness in the face of the massive task of giving Canada a feeling of national identity will never get us anywhere.

Another letter from Sarnia says in part:

I wish to commend your action. The present situation in this country does not encourage a total commitment to Canada. The law as it now stands is discriminating against other immigrants while it provides no incentive to the Briton to make himself a true Canadian.

• (5:10 p.m.)

I live in a neighbourhood with a great variety of new Canadians, and I feel sure most of them appreciate the efforts you are making to make all immigrant peoples equal.

I am myself a British immigrant and I know many who fully support the action you are taking.

The only privilege that should be enjoyed by the British immigrant is the privilege of taking out Canadian citizenship. I'm afraid all too few of us do so.

Another letter says in part:

You are so right. No wonder some immigrants feel like second-rate citizens.

To be frank, I am sure most native Canadians were not even aware of this discrimination. I hope they are now.

It may be that the presentation of this bill has made some people more aware of the existence of Canadian citizenship and perhaps has moved them to make application for it. I have here another letter from a constituent who says:

I agree with your change.

He goes on to say:

I believe after two or three years in Canada you should be able to make up your mind to become a Canadian citizen. My family and I are U.K. subjects; we are four, and would like you to tell us how to get the forms to become Canadian citizens.

If my bill has had the effect of making people more aware of the existence of Canadian citizenship and the value of it, and has encouraged them to seek it out, I think the presentation of the bill will have been worthwhile. There are of course many people who feel that such a move might be a weakening of our ties with the commonwealth. They point out, as have some hon. members, that this has been traditionally a reciprocal arrangement. I looked into that situation and found that while this might at one time have been the case, at the present time approximately 16 commonwealth countries do not reciprocate in this regard and about seven do. I cannot venture any opinion on Rhodesia which now considers itself independent, but I suspect that immigrants would not be able to go to Rhodesia, vote and be elected to its legislative assembly, although under our law Premier Ian Smith of Rhodesia could come to this country, live here for a year, be elected to our parliament and entitled to vote in our elections. For that matter, I suppose Lord Thomson of Britain could also.

The arguments against this measure all seem to add up to the fact that people from British countries are necessarily more familiar with our language, assuming it is English, and our laws and customs; but I do not think this is any longer necessarily true. I do not think we can assume that every person coming from a country that is British, or was formerly British, will necessarily be more capable either in language, knowledge of customs or our democratic way of life than a person newly arrived from any other country.

I would like to feel that our laws deal equally with people who have come to Canada to make their home here, no matter from what country they have come. I believe there is more and more acceptance of this idea. When I introduced this bill for the first time, the Toronto *Telegram* frowned on it, but we seem to be making progress in this regard. In its issue of November 9 it approved the idea and said editorially:

It is to be hoped that no objection to this measure will be raised on the sentimental ground that it weakens the British connection. If there is one British connection which endures, and which is an inalienable Canadian heritage, it is respect for justice and fair play.

Just so no one will think that the Toronto *Telegram* and the Conservative press are alone in their support of this measure, I should say that the Toronto *Star* in an editorial of November 7 suggested as follows:

Preferential treatment of British immigrants owes its origins to a time when Canada was the respectful elder child in the British family of nations.

But, while we are still respectful, we have grown up. Our responsibilities are now to our family, and we believe the time has come to place preferential policies on the shelf along with other mementoes of our colonial past.

The Montreal *Star* has also commented approvingly on this measure. It said in an editorial of November 8:

There probably will be a flurry of protest over indications from Ottawa that people settling in Canada from the United Kingdom may not much longer be entitled to any special privileges. Our colonial heritage is important to some groups across the country, but pride in being a Canadian should be vital.

Its editorial ends by saying:

A country good enough to work in, to live in, year after year, should be worth being a part of.

As one of my correspondents pointed out, my heritage is mostly British. I am proud of it. But I am more proud of my country, Canada. I hope that all people who choose it as their home will be most proud of it, and I hope that by dealing with all people, from whatever country they come, on an equal basis under our laws we will encourage all to become Canadian citizens as quickly as possible and to cherish that right and privilege.

Mr. F. J. Bigg (Pembina): Mr. Speaker, I am very pleased that this matter has come before the house because it at least opens up the whole question of the franchise in Canada. Lest we be carried away with this idea of treating everybody fairly in Canada—and I congratulate the hon. member who introduced the bill for his very commendable attitude—I think we should not forget one or two very salient facts in this regard. We do not treat our armed forces equally. If you look at the regulations regarding the voting of our armed forces, you will appreciate that it is not a secret ballot at all, because anybody who can count on his fingers can find out who voted how, and where, in respect of any of our Canadian armed forces.

This is something I could put my whole heart behind, namely making sure that those people who have given the most to become Canadian citizens should be afforded equal, if not preferential, treatment. While on this subject I would point out that I know that people who refuse to serve their country in time of war are treated equally with those who do. It is a strange anomaly that in a country where we value freedom so highly those unwilling to serve are entitled to take the highest positions in our land. Not only are they unwilling to serve but are actively engaged in sabotaging the efforts of those who believe in fighting for freedom. This should be looked into.

• (5:20 p.m.)

I do not think I am an Anglo-Saxon crackpot, either. Some of my people were natives of this country. It was the Conservative party that gave these people, senior citizens of Canada, the full franchise. This is the type of action we want. We want to broaden the franchise, not to restrict it. I am not at all sure that I believe the five year period of waiting before a person can become a full fledged Canadian citizen is reasonable, particularly if he has already been raised in the western tradition of freedom. I am not only speaking of the people from England, Scotland and Ireland but of people who have lived in the Caribbean all their lives, people with dark, yellow or black skins. The colour of the skin makes no difference, our Bill of Rights gives them all freedom here in Canada.

I should like to see the number of years of waiting before citizenship is granted reduced down to three years, or even to one year for those who are qualified. Our present immigration laws are restrictive. Canada has no right to deny millions of starving people the right to live. Why do we not open up our gates? Why do we not practice what we preach and broaden our immigration laws to encourage those who are willing to work and willing to defend freedom to come here and become a full-fledged citizen as soon as they are ready to expend their energy lives and resources alongside of us? I would like to see those who have fought in defence of the western world granted the right to Canadian citizenship. I would not hesitate to give anybody full citizenship in Canada who served Her Majesty in any corner of the world, particularly in time of war. Imagine denying a man who had been in the merchant marine in Australia the right to come to Canada and vote, or a man who had made seven or eight trips to England from Canada, carrying servicemen and ammunition in time of war.

I am against any restriction of the right to vote of people who, as I said, are qualified to be good Canadians. We should take a good look at the idea of restricting, for example, a well educated man, a professor from India or a doctor whom we would trust to operate on our children and be in charge of their health. Can we say to such a man: Oh no, you will first put in five years in Canada and will improve yourself in accordance with our view of western civilization. I do not think there

will be many Russian spies voting, because we allow them to obtain full voting rights once they come here and start paying taxes. We deny a doctor making $20,000 or $30,000 a year and paying enormous taxes the right to vote, because he has not put in an arbitrary five year period in this country.

I fully agree with the hon. member who introduced this bill that we should take a good look at the voting rights of our armed forces, to make sure they receive the right to a secret ballot. They are the ones who paid the most and who intend to pay the most in their proper time for our freedom, for our right to have a country and our right to survive in this jungle in which we are living.

Let us not get carried away by the crocodile tears of people who say we should make immigrants wait before we grant them citizenship, or until we are ready to give those people who have already earned the right to full citizenship in Canada the kind of treatment they should get. Today the running down of anything Anglo-Saxon seems to be a kind of national pastime around here.

I say this is a red herring. It is not a question of whether or not you are Anglo-Saxon. The purpose of our reciprocal agreements with many nations of the commonwealth is to encourage commonwealth people to come here, and this is done for a very good reason. The very fact that these people are members of the commonwealth ensures that they are good risks and will adjust quickly to our Canadian way of life. Let us not have any more witch hunts here, and let us not seek cheap popularity by running down the Old Country because she does not happen to have the power she once had. I wonder how much more courage it would have taken to bring forward a bill such as this one a hundred years ago. It would not have been acceptable then and I do not think it is acceptable today, because it is restrictive and is in the nature of a witch hunt.

I would say most of the people who have come here from other countries are so glad to get here that they are not agitating for a vote, they are not here to tell us in Canada how to manage our position in the commonwealth. Most of them are so happy to be here that they have gone to work and are productive citizens who have taken their full place in the commonwealth. I should like to give them the full right to vote as soon as they show us they are no threat to this country, and thereby give them the right to say something about what is going to happen to the enormous taxes they are paying. The Americans broke away from England because they said that people who were taxed had the right to have some say about it. If you feel so deeply about these people who are being so unfairly treated and who have no say about the elected members of parliament, and so forth, let me ask why they are not exempted from taxation until they become Canadian citizens. We bring them over here to use their skills. There is a brain drain in reverse going on in this country.

We bring these people here because we do not want to educate our own professionals. Let us give more of our own Canadian boys and girls a chance to become dentists and doctors, and not take advantage of commonwealth countries which need every doctor, school teacher and university professor in their own country. We have opened up a new university for these people who come here and when they see the good life in Canada they may be tempted to break the contract under which they came. We train these people so they can be a blessing to our sister commonwealth countries.

I venture to say that some of the people who write these letters want something more than simply to become citizens of Canada immediately. They want to tell us the rules under which they should be Canadians. I say we should beat them to it, we should certainly give them an easier franchise and an easier entrance to full Canadian citizenship, if they qualify.

It would be ridiculous to say to a man who served in the armed forces of Australia alongside of us for six or seven years during the last war, who speaks either French or English, either of our official languages, who is used to our parliamentary system and is thoroughly conversant with all our mores and has paid a tremendous personal price in service and sacrifice, that we have a witch hunt going on right now. It would be ridiculous for us to say to him: You are British and you have proved yourself British so we are going to make you wait five years, meantime we will take away from you a privilege which we gave to those people who qualify, for perfectly good reasons.

It is not because we love Englishmen or because we have put a racial tag on someone. This sounds to me like racism and I have the right to talk about it. Some of my people were natives of this country, who have been here for two or three hundred years. So I know what we have to offer in this country and I know it is not negative. We are not

denying others the right to Canadian citizenship which we have offered to people who have shown their loyalty to the crown, the commonwealth and our western principles and who have done so most often in very definite ways. We appreciate this, and we have given them an incentive to come here and give us some of their time and talents. I am getting a little bit tired of people who are trying to get on the bandwagon and who are picking on the poor old motherland because she is down. I see an element of that here, and it is not a very nice road to popularity.

Let us take the positive approach and offer full rights to those who come from our sister commonwealth nations. Let us not take the approach that if they do not play it our way we will not play it their way. We are the senior member of the commonwealth, we are the oldest child of the family. We should set an example, instead of being restrictive in dealing with voting rights in Canada. I do not know why we have a year of waiting, to tell you the truth.

• (5:30 p.m.)

I would be shocked if I went to any Commonwealth country and was told I had to wait for some time before I could vote. I have not done the homework the hon. member has done in relation to those countries which impose restriction on us, but I would be shocked if I went to Australia and, with my record, was told I could not vote for some time. I do not care how long we would have to live in Australia before we could vote; I think that is irrelevant. I do not believe that people from other parts of the world, perhaps from countries that have openly fought us or are going to fight us, should necessarily get equal treatment with people from countries that have proven to be friends and allies in the preservation of western democracy. Voting rights should be broadened by all means, but I do not believe I will stand in this house and vote for any restrictive measures on the rights of people from commonwealth countries who want to become Canadian citizens.

So far as citizenship itself is concerned, I venture to say a good many members of this house have not taken out citizenship papers. I agree that they should, but I am not sure that this is the proper way of forcing them to do so. Many of us were born here and have a certain distaste for the fact that we have to apply to obtain Canadian citizenship, especially in the light of the fact our ancestors have lived here for a hundred years. This little bit of red tape is annoying to some people, but it should not be so annoying that they do not apply for citizenship.

Citizenship is something we have taken for granted.

Mr. Woolliams: Do you have to have a certificate?

Mr. Bigg: You are not a Canadian citizen if you don't. This particular measure would bar you from voting if you do not have citizenship. I presume if you carried that to its logical conclusion, a person would have no right to sit in this house unless he had citizenship. I wonder how many seats would be vacated today if hon. members were asked for their citizenship papers.

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

Mr. Bigg: Yes.

Mr. Stanbury: I feel the hon. member has misunderstood the law and perhaps the hon. member for Calgary North could consult with him. The hon. member for Calgary North has suggested that citizenship does not depend on applying for a card. All of us have citizenship if we qualify under the law without applying for any papers. All I have suggested is that people who do not have citizenship should apply for it, not for a card.

Mr. Bigg: Well, I think it is the thin edge of the wedge. I would go along with the hon. member if he suggested that all Canadians should seek Canadian citizenship if they desire it. However, I would not force it on anybody. Those who do not want to partake in the advantages of Canadian citizenship would please me if they never applied. I am certainly not anxious to have them vote if they are coming here from the commonwealth with no intention of becoming good citizens. I do not believe this is the case. I believe nine out of ten come here with the intention of earning a living and becoming fully qualified citizens.

I certainly do not believe the hon. member did so intentionally, but the letters he read contained overtones of racism. I certainly cannot go along with that. I see no necessity for bringing in the Palestine question, the coloured question or any other question. It is only a question of whether or not we are all Canadians and want to encourage as many people as possible to take part in public life and exercise their franchise. I felt this was the proper time to raise these other points

about reform for our armed services personnel. Those who are in hospital should have every opportunity to vote. I know that in the five elections in which I have taken part I have been asked whenever I went to a hospital if the patients could exercise their franchise. We say we cannot do that because it is too difficult. Perhaps these patients are policemen who were hurt on duty, or members of the armed forces who are in hospital. We have put polls in some of the chronic hospitals and I feel this is a good reform. I think anyone who has the franchise in Canada should be given the right to use that franchise, even if we have to go to the trouble of hiring a few officials. Goodness knows, we spend money in many other ways which are not as important.

My Canadian citizenship is the source of my greatest pride. I do not like raising controversial issues like this. I think there is danger in this idea of telling our so-called new Canadians that they are being discriminated against, because I do not think they are. Perhaps we should say we have overlooked encouraging them, we have overlooked our duty to see that they become citizens. Perhaps we have been delinquent in not reducing this time limit. Certainly I should like to see any new Canadian who qualifies permitted to vote on an equal basis with those from the commonwealth. However, I would not take this backwards step of restricting the voting privileges of newly arrived Australians, New Zealanders, Caribbean people or Africans, regardless of their colour or creed. There are some Anglo-Saxon connotations to this idea. I honestly think it is a backward step, but I go along with the spirit in which I feel this suggestion was put forward. Let us broaden our franchise just as far as we possibly can without endangering security in Canada, by encouraging all those who want to be fully qualified citizens to take out their papers and be accepted into our family, with celerity.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like first to congratulate the hon. member for presenting Bill No. C-8, whereby, in order to take part in an election, to have one's name included in the list of electors or to run for office, one must be a Canadian citizen. This is I think a step towards the liberation in Canada from a certain type of colonialism that seemingly still persists in this country.

As it is now, the fact of being a British subject is sufficient for a person to be qualified to vote, or to run for office, which would not normally permit people from New Zealand, from Australia, from Jamaica or other countries in the British Commonwealth to come to Canada and be candidates in a general election.

• (5:40 p.m.)

Mr. Speaker, that constitutes, I believe, a lack of respect for or a violation of our Canadian sovereignty. Canada is a sovereign country; we are told that it is and we say it.

To insist that anyone who wants to vote or run as a candidate in an election be a Canadian citizen does not mean that we reject completely everything that is British, of course not. Such a measure would not prevent us, for instance, from remaining a member of the British commonwealth of nations. India and other countries are members of the British commonwealth of nations, yet they enjoy their sovereignty.

Mr. Speaker, that would enable us, however, to be ourselves in Canada, to take our decisions ourselves, to be first of all Canadians. I am not saying that one should be an English Canadian or a French Canadian, but I say that one should be a first class Canadian citizen to have the right to vote or to run as a candidate in an election.

A couple of years ago, I presented a bill to the same effect but covering a much greater scope. It meant to remove from all Canadian acts references to British citizenship, keeping only the Canadian citizenship, without, as I said, Canada withdrawing from the British commonwealth of nations.

Mr. Speaker, I think the Canadian citizenship constitutes the fundamental quality of a Canadian and we would betray Canada and its identity by maintaining such references to colonialism. We have been a colony, French at one time, English at another, but we are no longer a colony. I believe Canada is an adult and sovereign nation.

And in that capacity, I believe Canada should assert herself more, while staying among the nations which make up the British community.

I shall now refer to the explanatory notes of Bill C-8, and I quote:

The purpose of this Bill is to provide that only Canadian citizens shall in future be qualified as electors or as candidates at elections:

The bill tends to amend paragraph (a), subsection (1), of Section 14 of the Canada Elections Act which would now read:

(a) is of the full age of twenty-one years or will attain such age on or before polling day at such election;

I am wondering, Mr. Speaker, if the hon. member who has prepared this bill should not have by the same token, taken into account the young people of 18 years and over. In the province of Quebec, these young people have the right to vote in provincial elections, while they do not have such a right in the federal elections. Here, I refer to an act which provides that in an armed conflict, for example, all young people of 18 years or over shall be called upon to serve their country.

When the government so decides, these same young people who must serve their country in the armed forces cannot have their say in electing their representatives as they are not eligible to vote or run as candidates at election time.

The time has come, Mr. Speaker, for our 18-year olds to be granted a little more consideration. If they are old enough to join the Canadian forces, they should be entitled to vote and they should have the privilege to run as candidates in any federal constituency. It is the law in Quebec. I do not know what the situation is in the other provinces, but the eligible voting age is 18 in the province of Quebec.

Furthermore, the hon. member introducing Bill No. C-8 should have included therein a useful clause dealing with compulsory identification cards for Canadian voters as a prerequisite to their names being printed on the voters lists, in addition to being Canadian citizens. An identification card bearing a photograph—I would not object to have my picture appearing on an identification card—would be a deterrent against those manipulating elections with the help of impostors or "phoney" voters.

Compulsory identification cards bearing photographs would avoid the stealing of elections. Perhaps we would have valuable members in this house who have been defeated because of trickery and shady election manoeuvring, mostly in cities where people are not known. In some instances, Mr. Speaker, women of ill repute disguised themselves as nuns in order to record their votes in well organized and controlled polls. This is contrary to true democracy. The people are no longer deciding when election schemers can arrange a choice.

I think it is high time serious thought was given to a review of our election system, not only on the surface but in depth. As Canadians, let us still require that only Canadian citizens may have their names entered on the voters' lists and have the right to run as candidates.

In addition, let us lower the voting age to 18 and also make compulsory the identification card bearing the photograph of voter, for positive identification. Then we would no longer have to deplore the infortunate things that happened in the past and are still happening in many areas during general or partial elections.

This would eliminate a great deal of annoyances and also make things difficult for those who are inclined to use dishonest electioneering practices. In short, this would ensure the election to parliament of honest members through honest methods, both during and between election periods.

Mr. Speaker, those are the only remarks I wanted to make on Bill No. C-8.

I congratulate once again the hon. member for having introduced that bill providing that we should be Canadian citizens to have our names appear on an election list or to be a candidate at an election.

I regret however that an individual must have completed his twenty-first year instead of his eighteenth in order to vote or become a candidate.

The carrying of an identification card with a picture should be made compulsory to prevent the possibility of dishonesty, cheating or election gerrymandering. Thus, the Canada Elections Act would be more respectful of the Canadian citizens; the latter would more readily go to the polls to select their members and their government in order to establish in our country a true democracy based on social justice and the just society.

[*English*]

Mr. Murray McBride (Lanark and Renfrew): Mr. Speaker, I spoke just a few weeks ago in the private members hour on another bill to amend the Canada Elections Act. It seems to me that if a man's automobile needs minor repairs, it should be repaired or patched up. But if its poor condition has resulted from many points of weakness, then it either needs a thorough overhaul or else a new car altogether is required. In the same way, Mr. Speaker, if there are many points of weakness within the Canada Elections Act it

seems to me we need either a thorough overhaul of the act or to write what might be called a new act altogether.

I am opposed to a piece by piece, or a bit by bit, or a patch-up approach to the revision of this act, and in that sence I am against this bill. As for the content of what Bill No. C-8 intends, I favour it in principle. It means, simply, Canada for Canadians; a Canada for Canadians, governed by Canadians; and I as well as other hon. members, I assume, support that. Yet there is an inequity within this bill, and I want to speak about that. Subsection (1)(a) says that only those who are 21 years old shall be allowed to vote.

• (5:50 p.m.)

As you are well aware, Mr. Speaker, we live in a day when our citizens who are in their senior teens have been exposed to mass media literally from birth. This is a time when progressive forms of education are encouraging even very young children to develop their ability to discriminate, to judge, to decide and, hopefully, to learn to live with the results of their decisions.

This is also an era of high mobility for youth. Even at a very early age our young people spend many hours far away from their families and their environs; frequently they are many miles away. In such circumstances personal decisions are made at a very early age; they are made at a much earlier age than was the case, I suggest, even one decade ago. To have our voting age remain at 21 years of age is no longer consistent with the social context in which we now live. It ought to be lowered at least to 18 years of age and had this bill contained that change I could have supported it.

As for the idea that Canadian citizens and only Canadian citizens should vote to bring in a government of Canada, with that I have no quarrel. It is necessary for us to become more Canadian. I suppose it follows logically that we ought to be less British, less French, less Portuguese and less what have you, and we should be just plain Canadians. With that aspect of the bill I am in accord.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I seem to have developed the habit of speaking on the Canada Elections Act. Only two weeks ago I spoke when another private member's bill to provide the franchise to university students came before the house. At that time I commended the mover of the resolution and said he was moving in the right direction. He is reform minded and undoubtedly is aware of the inequities in the Canada Elections Act. My only reservation at that time was that the hon. member was not going far enough, although he was heading in the right direction. I suggested that the entire act needed revision.

I favour anything that tends to broaden the franchise and to make more democratic our Canadian parliamentary system. I am not in favour of anything that tends to discriminate. I was not in favour of those parts of the act which tended to discriminate against university students. I cannot see much use in tinkering with a document which, in my opinion, is of nineteenth century vintage.

If the Canada Elections Act were brought before this house and debated by all hon. members, I am sure we would arrive at a law which would constitute a new elections act. That needs to be done. I have read about the French revolution and I am aware of the great turmoil which surrounded the voting privileges of the common people of France. It took a revolution to undo the inequities surrounding the Estates General of France of that period.

I do not propose that we have a national revolution in Canada, but I do say that it is time for the government to take a good look at the elections act and to iron out some of the inequities in that act.

I could spend half an hour talking about the voting age alone, but I will not do so. As the hon. member preceding me said, we live in an age of great social change. Young people are being taxed, sometimes when they are only 16 years old. As my colleague indicated, taxation without representation was responsible for our great revolution in North America, as those who have heard about the Boston tea party will recall. In England they have considered this matter of the voting age, and there is every indication that in that regard they are more reform minded than we are. Perhaps hon. members ought to review what has happened in the United Kingdom House of Commons in this regard.

Some hon. members have said that under our system workers who are employed away from their electoral districts on voting day must return to their districts to vote. Sometimes they must travel a considerable distance to do so and no provision in the act makes it necessary for them to be paid a return fare to their jobs. People at sea especially are effected by this part of the act. During the last general election some people

in my riding were at sea on election day and therefore they could not vote. Many complained because of this. The returning officer in my district phoned to Ottawa, to St. John's to here and to there, but still those people went without their vote. Many of them were good supporters of both parties, yet they had no chance to vote.

Mr. Bell: Do not talk it out.

Mr. Lundrigan: Mr. Speaker, though there are many other matters I might raise, I shall not do so. Instead, I shall sit down.

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, in accordance with the undertaking I gave the house the other day about the desirability of putting these proposals before the committee on privileges and elections so that they may be considered, I move:

That the motion be amended by deleting therefrom all the words after the word "That" and substituting therefor the following:

"the said Bill be not now read a second time but that the subject-matter thereof be referred to the standing committee on privileges and elections".

Motion agreed to.

The Acting Speaker (Mr. Richard): The time being six o'clock the hour for consideration of private members business has now expired.

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

[The following items were passed in Committee of Supply this day:]

LEGISLATURE

15a, 20a.

HOUSE OF COMMONS

Monday, November 18, 1968

The house met at 2.30 p.m.

[*Translation*]

NATIONAL DEFENCE

NATO—COMMUNIQUÉ AND STATEMENT FOLLOWING MINISTERIAL MEETING

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, hon. members have undoubtedly noted that this year the regular semi-annual meeting of the NATO Council was brought forward as a ministerial meeting in order to determine what would be, for the alliance, the consequences of the situation created by the Soviet invasion of Czechoslovakia.

The Secretary of State for External Affairs (Mr. Sharp) and the Minister of National Defence (Mr. Cadieux) represented Canada on that occasion. Since both are still away, I would like to table a copy of the communiqué issued at the close of the meeting held in Brussels from November 14 to 16.

I would like, with leave, to table that communiqué.

[*English*]

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

Some hon. Members: Agreed.

Mr. Baldwin: If it is not too lengthy, Mr. Speaker, could it be printed in *Hansard*?

Mr. Trudeau: I have no objection, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): As an appendix.

Mr. Speaker: Is it agreed that the document in question be printed as an appendix to *Hansard*?

Some hon. Members: Agreed.

[*Editor's note: For text of document referred to above see appendix.*]

[*Translation*]

Mr. Trudeau: Mr. Speaker, the ministers of the 15 countries participating in the meeting have unanimously condemned Soviet military intervention in the domestic affairs of another country. Moreover, it has been agreed that the resulting situation had brought in a factor of uncertainty as to Soviet future intentions with regard to the security of the west. Consequently, they have reaffirmed their determination to protect the members of the alliance against any military aggression, according to the treaty. They have also stated that any Soviet intervention directly or indirectly affecting the situation in Europe or in the Mediterranean would entail an international crisis with serious consequences. They cannot remain indifferent to any new development likely to jeopardize the security of members of the alliance.

• (2:40 p.m.)

[*English*]

The members participating in NATO's integrated defence program agreed that in the circumstances there was a need to reassess their defences, and indicated various measures they were taking to ensure that the security of NATO was being maintained at an adequate level. At the same time they reaffirmed NATO's determination to pursue the long term goal of détente in east-west relations and to exploit all opportunities to make progress in disarmament.

In their statements the Canadian ministers cautioned against the alliance overreacting to Soviet actions in Czechoslovakia which, it had been agreed, were not directed particularly against members of NATO. The Secretary of State for External Affairs suggested that while it was natural in the present circumstances to stress the defensive character of the alliance, it was essential that NATO should seek, and should be seen to be seeking, all reasonable opportunities to resume the dialogue with the Soviet union and thus to promote in due course progress toward the peaceful settlement of the issues facing Europe.

The Minister of National Defence explained that Canada was proceeding with its review of defence policy. Meanwhile, he said, we are maintaining our professional forces in Europe and in Canada at their high level of training, equipment and operational readiness.

Statement Following Ministerial Meeting

Arising out of the decision to close one of the three air bases that we occupy in Germany—Zweibrücken—we had planned to reduce the aircraft of our air division by approximately 20 per cent. However, we felt that until there has been a better opportunity for the Canadian government to assess the aftermath of the Czech crisis, both in the light of this meeting and in the light of our own review of defence policy, it would be prudent to defer a final decision on our part whether the air division should be maintained at its present levels or reduced. This, of course, will not affect the decision to close Zweibrücken.

The Minister of National Defence underlined the progressive qualitative improvement of our forces in all three environments, regular and reserve, and asserted that Canada continues to believe in collective security.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, we have heard with some interest the remarks made by the right hon. gentleman. This adds one more to the very long list of varying statements that have been made in and out of the house, on this continent and on other continents. I think we will have to examine with some care the document the right hon. gentleman has tabled in light of what has been said by the Prime Minister in this house and his other more interesting observations made outside the house. We would also like to examine it in light of what is alleged to have been said by the Secretary of State for External Affairs and the Minister of National Defence at the meetings in Europe.

I would simply add, Mr. Speaker, that as far as the people of Canada and the hon. members of this house are concerned the matter is in a state of very considerable confusion. I only hope and suggest that what will be done is that which has already been suggested, namely that on the return of the Secretary of State for External Affairs the house leaders will arrange for a day to be set aside so there can be a clear cut debate on this issue, in view of the varying statements that have been made and the facts that have come to light.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, we heard the Prime Minister's statement with a great deal of serious reservation. One of the most regrettable results of the utterly unjustified invasion of Czechoslovakia has been to give an incentive to cold war warriors, who are not without influence in NATO, to demand an even greater reliance than before on obsolete and dangerous military confrontations in Europe. There are some who seize avidly on the opportunity to put pressure on allies to multiply weapons that are already useless and, if used, would produce an unimaginable scale of destruction in Europe.

From the statement it appears that the government to some extent has yielded to this pressure. We are to retain in Europe the 20 per cent of the air division that was supposed to return to Canada. This division is part of a vulnerable, useless and obsolete type of defence and there is no reason, so far as we know, why it should be retained. We are not saying we do not need mobile defences, but this sort of defence would not be of help to Czechoslovakia or any other country.

We also have serious reservations about the extension of vague threats as to what might happen outside NATO if certain events occur in the world. These threats are either meant seriously, in which case they ought to be seriously contained in terms of real commitments, or they are not meant seriously and do not add one iota to the credibility of the commitments which have already been made in NATO.

We believe the Czechoslovak crisis and invasion came about through fear. We most earnestly hope that in the review the government is making in this field it will undertake a radical revision of the commitments we have made in and through NATO. We do not advocate withdrawal from NATO although we do advocate that the entire framework of NATO, based on tactical nuclear weapons, ought to be reconsidered.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, we have also listened carefully to the statement made by the right hon. Prime Minister.

The whole world has regretted the invasion of Czechoslovakia by Russia. Canada has an obligation, to itself and to the free world, to participate in all programs aiming at defending freedom in the world and to fight against dictatorship and aggression. I think that Canada can play a very important role in such circumstances and that we must not shirk our obligations to preserve this freedom which everyone wants.

CAPE BRETON DEVELOPMENT CORPORATION

TABLING OF REPORT

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, I have the honour of tabling the French and English versions of the report of the Cape Breton Development Corporation proposing a general program as prescribed by section 17 of the act establishing the corporation. This program has been considered and approved by the government.

[*English*]

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

Mr. Robert Muir (Cape Breton-The Sydneys): On a point of order, Mr. Speaker—

Mr. Speaker: Order, please. The minister does not propose to make a statement. Since no statement has been made there can be no discussion. My understanding is that there is simply a motion before the house to table a document.

Mr. Muir (Cape Breton-The Sydneys): Mr. Speaker, I only rose on a point of order to ask the minister to give consideration to providing copies of the report to all members of the house. Because of its far reaching implications for the future economic well being of Cape Breton Island I thought that might be a good idea.

Mr. Marchand (Langelier): Mr. Speaker, I do not know whether we have sufficient copies for that to be done. If we do not have enough we shall try to supply copies to all those hon. members who are interested.

Mr. Donald MacInnis (Cape Breton-East Richmond): On a point of order, Mr. Speaker, and on the question of the availability of the report to hon. members of the house, may I suggest that if hon. members look at today's Ottawa *Journal* they will see that the Canadian Press has carried the report and has beaten the minister to the punch.

• (2:50 p.m.)

GOVERNMENT ORGANIZATION

APPROVAL OF ADDITIONAL RECOMMENDATIONS OF ROYAL COMMISSION

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, by leave of the house I should like to table an additional group of 21 recommendations made by the royal commission on government organization which have been approved by the cabinet, some in a modified form. The government has now approved 208 of the 294 Glassco recommendations. Twenty-six were rejected as having been overtaken by events or as impracticable. There remains a balance of 60 recommendations on which final decision has not been made, but all are being actively pursued.

At this time I would like to pay tribute to the late J. Grant Glassco who, as the house is aware, died late in September of this year. Mr. Glassco was one of Canada's great citizens. We are indebted to him for his many contributions to the development of this country. One of his greatest contributions was his chairmanship of the royal commission on government organization. He earned high approbation for his leadership of the large research team he assembled, and for his wisdom, experience and the enormous amounts of personal time and energy that he devoted to this tremendous undertaking. That such approbation was justly earned is evidenced by the fact that no other royal commission dealing with so many matters of such complexity has to my knowledge ever achieved an equivalent acceptance of its recommendations. Scholars of the future will surely declare the Glassco Commission one of the most significant milestones in the development of Canadian public administration. I am sure there is complete unanimity in this house when I say that his passing is deeply regretted.

STATUTORY INSTRUMENTS

CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

Mr. Mark MacGuigan (Windsor-Walkerville) moved that the first report of the special committee on statutory instruments presented to the house on Thursday, November 14, be concurred in.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

FILING OF REPORTS ON ELECTION EXPENSES

Question No. 118—**Mr. Fortin:**

Have any candidates who were defeated in the General Election of June 25, 1968, and subsequently appointed to positions with the Government of Canada not filed a report on their election expenses pursuant to the Canada Elections Act and, if so, who are these persons?

Questions

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): A total of 968 persons were candidates in the general election of June 25, 1968. The names of those candidates on whose behalf returns showing election expenses were not filed, according to the information supplied by the returning officers to the Chief Electoral Officer, are set forth in the return made on November 15, 1968, to the order of the house made on September 25, 1968. However, since a person who has been a candidate in an election and who subsequently takes employment as a public servant, etc. is not required to declare that he has been a candidate, there is no record from which an answer to this question can be drawn.

C.N.R. LESS THAN CARLOAD SHIPMENTS, ATLANTIC PROVINCES

Question No. 248—**Mr. Coates:**

1. What was the total tonnage of less than carload lot shipment carried by the C.N.R. in the Atlantic Provinces, in either the fiscal year 1966-67 or the calendar year 1966, also 1967-68 or the calendar year 1967, and for the six month period from October 1, 1967 to March 31, 1968?

2. What was the total revenue from less than carload lot shipments in the Atlantic Provinces for the periods set out in part one?

Hon. Paul Hellyer (Minister of Transport): The management of Canadian National Railways advises as follows: 1 and 2. As the railway system is not administered by provinces and as non-carload statistics are not kept by tonnage but by numbers of shipments, it is not possible to answer the question in the form asked.

C.N.R. WORK FORCE, MONCTON, N.B.

Question No. 268—**Mr. Thomas (Moncton):**

1. What was the total work force of the Canadian National Railways at Moncton, New Brunswick (a) on September 1, 1963 (b) on September 1, 1967 (c) on September 1, 1968?

2. Are further reductions in the work force at Moncton contemplated by the Canadian National Railways and, if so, to what extent and on what date?

Hon. Paul Hellyer (Minister of Transport): The management of Canadian National Railways advises as follows: 1. The number of employees paid at Moncton were: September 1, 1963, 3,992; September 1, 1967, 4,439; September 1, 1968, 4,118.

2. The size of the work force depends upon traffic requirements, seasonal and other factors. It is not possible to answer the question in the form asked. If adjustments have to be made in the work force then these are dealt with in accordance with the union agreements.

OFFICE FACILITIES, ENERGY, MINES AND RESOURCES MINISTER

Question No. 307—**Mr. Aiken:**

1. Have the departmental offices of the Minister of Energy, Mines and Resources been refurnished since the present Minister took office?

2. If so, what has been the total cost of furnishings and furniture installed and other changes made?

3. How much floor space is presently occupied by the Minister and his Executive, Special and Parliamentary Assistants; and how much was occupied by the previous Minister?

4. Who are the members of the Minister's departmental staff; what are their salaries; and which of these have transferred from another department since June, 1968?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): 1. Yes.

2. $15,635.20, which includes refurnishing, furniture and other changes made in offices formerly occupied by the minister and additional office space required.

3. Floor space accommodating minister, special assistants and parliamentary secretary, 1,466 square feet. Former minister occupied 1,206 square feet.

4. Lois Kennedy, ST-7 classification; $5,985-$6,576 salary range.

Arlene LeTouzel, ST-3 classification; $2,932-$4,384 salary range.

Adam Clark, CR-1 classification; $2,761-$3,367 salary range.

Christine Wiksten, ST-4 classification, casual; $4,343—minimum salary.

H. V. Black, CR-2 classification, casual; $3,761—minimum salary.

Miss Kennedy, Miss LeTouzel and Miss Wiksten transferred from Department of Agriculture; Mr. Clark and Mr. Black from Department of Secretary of State.

FEDERAL PARTICIPATION, ADULT TRAINING PROGRAM

Question No. 351—**Mr. Clermont:**

1. For the fiscal year 1968-69, what is the federal government's share, per pupil, of the administrative costs of the adult training program including teachers, premises, lighting, books in (a) the academic course (i) full-time (ii) part-time (b) the agriculture course—full time (c) apprenticeship centre—bricklaying, carpentry, electricity,

painting, plumbing, heating, sheet-metal work, welding—full time?

2. What is the average number of pupils, per class and the duration of these courses?

3. What is the amount of the weekly allowance granted to the pupils?

4. What percentage does the federal government contribute to the adult training program?

[*Translation*]

Hon. Allan J. MacEachen (Minister of Immigration and Manpower): 1. Under the Adult Occupational Training Act, the federal government pays the full cost incurred by training authorities in providing training courses for adults. This includes salaries of teachers, rental and maintenance of premises (light, heat and water) and also books and other instructional material used in all full-time and part-time courses.

These costs cannot be given on a per trainee basis as the provinces have not as yet submitted their final claims.

2. For the period of April-September, 1968 the average number of trainees per class was 17 and the average duration of the courses was 94 days.

3. The rate of allowance paid to adult trainees ranges from $37 a week for an adult without dependants to $96 a week for an adult with at least three dependants, living away from home.

4. The federal government pays the full cost incurred under the Occupational Training for Adults Program.

[*English*]

TERMINATION OF C.P.R. PASSENGER SERVICE, VICTORIA-COURTENAY, B.C.

Question No. 370—**Mr. Anderson:**

Will the Department of Transport hold public hearings in Victoria and other Vancouver Island centers before coming to a decision on the Canadian Pacific Railway's request to terminate passenger services between Victoria and Courtenay, B.C.?

Hon. Paul Hellyer (Minister of Transport): The Canadian Transport Commission advises as follows: The present position with respect to the passenger train between Victoria and Courtenay, British Columbia, is that the Canadian Pacific Railway Company gave notice of its intent to discontinue the service, whereupon the railway transport committee declared the train to be a passenger train service for the purposes of sections 314I and 314J of the Railway Act and directed that no discontinuance could take place without a formal application unless approved by the railway transport committee following receipt of an application.

In the event of a formal application being made to the railway transport committee of the Canadian Transport Commission by the Canadian Pacific Railway Company to discontinue the passenger train between Victoria and Courtenay, a public hearing will be held by the committee. No decision has, as yet, been made as to the precise location of the public hearing. Such hearings are arranged to meet the convenience of as many of the interested parties as possible, all of whom will be duly notified in advance.

TENDERS FOR HOUSES AT AIRPORT, FORT NELSON, B.C.

Question No. 398—**Mr. Howard (Skeena):**

What is the name, address and amount bid by each person who tendered on nine houses (whether for individual houses or the lot) located at the airport at Fort Nelson, B.C.?

Hon. Donald C. Jamieson (Minister of Defence Production): Insofar as the Crown Assets Disposal Corporation is concerned: It is the policy of the corporation not to divulge such information as requested until the expiration of 90 days from the date of sale. This safeguards the interest of the customers of the corporation who could otherwise be prejudiced in the marketing of purchased merchandise.

This sale was completed as recently as September 27, 1968, and in accordance with the above policy the information will be available on or after December 27, 1968.

LEGISLATION ON JOB DISCRIMINATION BECAUSE OF AGE

Question No. 467—**Mr. McCleave:**

Has the government considered legislation to prevent job discrimination on account of age and, if so, with what result or intention?

Mr. Jim McNulty (Parliamentary Secretary to Minister of Labour): The subject is being studied and legislation is under active consideration.

COST OF NEW DESTROYERS

Question No. 477—**Mr. Forrestall:**

Since the reply to Question No. 1,075 made on February 21, 1968, has there been any change in the estimated cost for construction of the four new destroyers, including the equipment costs of these ships?

Questions

Hon. Donald C. Jamieson (Minister of Defence Production): No.

LOSS OF CIRCULARS, TORONTO POST OFFICE

Question No. 502—**Mr. Macquarrie:**

1. Were circulars mailed by the Womens Committee of the Toronto Art Gallery lost in passage through the Toronto Post Office and, if so (a) what was the number of lost circulars (b) what explanation for the loss was given to the organization sending the circulars?

2. Is the Post Office Department having difficulty in obtaining part-time employees because of inadequate facilities at Toronto?

Hon. Eric W. Kierans (Postmaster General): 1. No; they were apparently mislaid or misrouted from the date of mailing, September 27, to the week ending October 19, during which they were delivered. (a) 6,686. (b) When the first inquiry was made, a thorough check of the postal premises on Front Street was initiated. No trace of the circulars was found. The mailers were informed that the search had failed to produce anything and were invited to duplicate the mailing without any further postal charges. It is understood that a start had been made on a second mailing when word was received that some of the missing circulars had been delivered. It now appears that all were delivered by October 19.

2. No.

UNEMPLOYMENT INSURANCE BENEFITS FOR CANADIANS IN U.S.

Question No. 521—**Mr. Rodrigue:**

1. What reasons are given by the representatives of the Bureau of Employment Security of Maine and of New Hampshire for preventing the conclusion of an agreement which would make Canadians working in American territory eligible for the benefits of Unemployment Insurance Act?

2. For the years 1965, 1966 and 1967, how many Canadian workers were employed in American territory in the States of Maine, New Hampshire, New York and Vermont?

3. What were the terms of agreements concluded with other American States over the issue of Unemployment Insurance benefits and when were these various agreements signed?

4. What proposals for reaching an agreement have been submitted by the representatives of the Canadian Government to the American representatives?

[*Translation*]

Hon. Bryce S. Mackasey (Minister of Labour): The Unemployment Insurance Commission advises: 1. Main authorities have been unwilling to conclude an agreement because of the cost to the Maine fund. Estimates compiled by the Maine authorities have indicated that the cost might run as high as 1.5 million dollars annually.

2. The information requested is not available.

3. Under the terms of the agreement, a person who has worked in a State with which we have an agreement can apply for U.S. benefit to the office of the Unemployment Insurance Commission serving the area in which he resides. Conversely, a person who has worked in Canada and who is residing in a State with which we have an agreement can claim against his Canadian entitlement through the office of the appropriate agency in that State. In either case, benefit is paid direct to the individual by the State or country in which he previously worked. The administration which accepts his claim merely acts as an agent for the liable State.

There are also provisions in the agreements to eliminate the duplication of coverage in a case of an individual who is employed in both the U.S. and Canada by the same employer. Under these provisions one State or country provides him with coverage on the basis of his total earnings for the year.

At present agreements are in force with all States except Maine, New Hampshire, Iowa and Alabama. The majority of the agreements were negotiated in the early 1940s, and virtually all present agreements were signed prior to 1950. There have been no new agreements concluded for several years.

4. Canadian officials are attempting to convince the Maine authorities that their estimate of the cost of their fund is too high. A survey designed to give an accurate estimate of the cost is currently underway.

[*English*]

ALBERTA MOTOR ASSOCIATION—OFFICE SPACE IN BANFF PARK

Question No. 540—**Mr. Lambert (Edmonton West):**

1. What office premises are occupied by the Alberta Motor Association in Banff National Park?

2. Have representations been made by the Alberta Motor Association for larger or alternative accommodation and, if so, when, and with what results?

3. If a request was made for a building site was it refused and for what reason?

4. Did the Park administration ever offer accommodation that it owned or controlled and, if so, where was it located and under what terms?

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

Alberta Motor Association presently occupy a two room office facility in the Banff Museum building.

2. Yes. On March 19, 1968, Mr. George A. MacDonald, executive vice-president of the Alberta Motor Association and Mr. McQueen of the Canadian Automobile Association, met with branch officials to discuss the A.M.A. accommodation situation in Banff.

On May 15, Mr. J. D. Paterson representing the Alberta Motor Association was informed that there were no crown lots available for lease by the association in Banff townsite at that time. Space in the new visitor services centre in Banff national park will be available for organizations of this kind. (The proposed construction date for the centre is for 1970-71.)

C.N.R. BONDS

Question No. 542—**Mr. Skoberg:**

1. Who holds the existing CNR Bonds and where are they located?

2. Has the CNR made any effort to get the Bonds back and, if so, what action has been taken in this regard?

3. How many Bonds has the CNR bought back and how many are presently held by the Company?

Hon. Paul Hellyer (Minister of Transport): The management of Canadian National Railways advises as follows: 1. As C.N.R. bonds are widely held and negotiated by private and commercial investors, it is not possible to answer specifically the question in the form asked.

2 and 3. Yes. Particulars respecting the company's bond issues may be found on page 34 of the company's printed annual report for the year 1967.

FEDERAL PARTICIPATION, B.C. FERRY SERVICE

Question No. 550—**Mr. Durante:**

Does the federal government assist financially in the operation of ferries providing service between the mainland of British Columbia and Vancouver Island and, if so (a) what has been the cost to the federal government per year, for the past five years (b) what percentage of the total operating costs, per year, for the past five years, do these amounts represent?

Hon. Paul Hellyer (Minister of Transport): No, (a) and (b) not applicable.

ROAD WORK, MUSKOWEKWAN INDIAN RESERVE

Question No. 555—**Mr. Burton:**

1. What road work is being carried out on the Muskowekwan Indian Reserve during the 1968 construction season?

2. What is the name and amount of all tenders submitted for each contract awarded?

3. What contracts have been awarded and what is the total value of each contract?

4. What is the unit price for each contract awarded?

5. What specifications are included in each contract awarded?

6. Are any further contracts to be awarded on this project?

7. How much has been paid to date on each contract?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. Construction of 4.5 miles of access road to the Muskowekwan reserve is being carried out right now.

2. Tenders were invited by newspaper advertisement and received from: Marsh's Construction, Mistatim, Saskatchewan, $77,-920; Corbett Construction, Neepawa, Manitoba, $49,461; Phil Cram Construction Ltd. (Incomplete tender), $61,448. The contract was awarded to Corbett Construction Limited, Neepawa, Manitoba for the following: 2.5 miles access road, Daystar reserve; 4.5 miles access road, Poorman reserve; 4.5 miles access road, Muskowekwan reserve.

3. Contract awarded to Corbett Construction at a total value of $49,461 of which $17,260 pertains to Muskowekwan reserve.

4. Unit price for contract awarded, which includes Muskowekwan reserve, was 21 cents per cubic yard for common excavation (including overhaul and rock excavation) with an estimated quantity of 80,000 cubic yards.

5. Specifications are for access road subgrade construction based on required standards of construction of the main market grid used by municipal road assistance authority—(Saskatchewan).

6. No further contracts are to be awarded on this project.

7. No money has been paid for the Muskowekwan portion of this contract.

IMPLEMENTATION OF COHEN REPORT, MONTREAL HARBOUR

Question No. 561—**Mr. MacEwan:**

1. What main recommendations of the Cohen Report were implemented by the National Harbours Board at Montreal for its employees?

Questions

2. What is the breakdown of the sum of $63,000 which was presented by the Minister of Labour to union officials at Montreal on October 10th, 1968?

3. Have payments of $100 each been made to any employees affected by technological changes in their work at the Montreal waterfront and, if so, to how many?

Hon. Paul Hellyer (Minister of Transport): The National Harbours Board advises as follows: 1. Certain workers, determined by both the National Harbours Board and the union, are retained by the board and receive a grant of $100 for each year of service, as recommended in the Cohen report.

2. This part of the question is apparently based on a newspaper item on information provided to the press, but no presentation was made.

3. Yes. The total cost of the $100 grants will be $63,314. Distribution of the grants as at October 11 was $27,759 and the balance is being distributed to those who are entitled to them.

*RECIPIENTS OF CENTENNIAL MEDAL

Question No. 583—**Mr. Diefenbaker:**

Would the Prime Minister table a full list of the names and addresses of recipients (other than members of the Armed Forces) of the Centennial Medal?

Mr. J. E. Walker (Parliamentary Secretary to Prime Minister): Mr. Speaker, the answer to starred question No. 583 is yes. The list is now being compiled and will be tabled when complete.

RETROACTIVE PAY INCREASES FOR RETIRED PUBLIC SERVANTS

Question No. 584—**Mr. McCleave:**

1. When employees leave government service, do they receive retroactive pay increases put into effect following their departure?

2. If not, for what reason?

3. Has this problem been raised in collective bargaining and, if so, by whom and with what results?

Hon. C. M. Drury (President of the Treasury Board): 1 and 2. The retroactive remuneration regulations authorized by order in council P.C. 1964-1417 of September 10, 1964 provide for retroactive remuneration to former employees who, for reasons beyond their control, leave the public service between the effective date of such increases and the date of their approval. The regulations, therefore, are applicable to former employes who have been laid off or have retired or to the estate of an employee who died but not to former employees who resigned or were dismissed.

3. Questions relating to matters governed by the retroactive remuneration regulations have, of course, been discussed during the course of some collective bargaining negotiations. Collective agreements which have been signed provide for application of the retroactive remuneration regulations.

GLIDE PATH INDICATOR, TORONTO AIRPORT

Question No. 586—**Mr. Gillespie:**

Is it the intention of the Department of Transport to install a glide path indicator on Runway 32 at Toronto International Airport and, if so, when?

Hon. Paul Hellyer (Minister of Transport): A glide path indicator, of a type known as a visual approach slope indicator system, (VASIS), is installed on runway 32 at the Toronto international airport. This facility has been in operation since August 19, 1966.

GREAT SLAVE LAKE RAILWAY

Question No. 596—**Mr. Skoberg:**

1. Has the railway construction been completed on the Great Slave Lake Railway?

2. Has there been an operating order issued for the conveyance of revenue traffic?

3. Is revenue traffic being carried on the Great Slave Lake Railway under a traffic order?

4. What type of revenue traffic is being conveyed at the present time?

5. What operating "Crew Consist" is presently employed on all construction or revenue trains operating on the Great Slave Lake Railway?

6. Do the operational requirements of the Great Slave Lake Railway, presently come under the Railway Act?

Hon. Paul Hellyer (Minister of Transport): The management of Canadian National Railways advises as follows: 1. The original estimated date of completion of the line was December 31, 1966. By order in council No. P.C. 1966-1413, dated December 21, 1966, the date of completion was extended to March 31, 1970. Work is proceeding on strengthening certain embankments and improving drainage structures and drainage ditches.

2. On July 7, 1967, pursuant to section 279(7) of the Railway Act, the Board of Transport Commissioners for Canada, by order No. 124865 (amended by order No. 125316, dated August 22, 1967), authorized the carriage of traffic over the line of railway.

3 and 4. Under the authority of board orders referred to above, traffic is carried in accordance with tariffs filed with the Canadian Transport Commission.

5. All trains have three crewmen.

6. Until completion of the line and the issue of the appropriate order, not all provisions of the Railway Act apply. However, the Canadian Transport Commission has, and is exercising, jurisdiction in matters relating to safety.

OPERATING TESTS OF HOVERCRAFT

Question No. 607—**Mr. Blouin:**

With reference to the Press Release published on August 13, 1968 by the Department of Transport and dealing with the official inauguration and purchase of a SRN-5 Hovercraft to be used on the west coast as a research and rescue vehicle, is the government now in a position to provide information on the operating tests and performance of such vehicle?

Hon. Paul Hellyer (Minister of Transport): Operating and performance tests have not yet been conducted with the SRN-5 hovercraft purchased last summer as the unit is still engaged in training the number of operators necessary for continuous operation and this will not be concluded for some weeks. Following this, in addition to specific performance tests, it is intended to gain protracted operating experience under all possible conditions for several months before a decision is taken on whether procurement of more of these craft for the Canadian Coast Guard is warranted.

TRANSPORT DEPARTMENT EMPLOYEES, VICTORIA AIRPORT

Question No. 608—**Mr. Anderson:**

1. How many D.O.T. employees are there working at the Victoria International Airport?

2. How many were working there a year ago?

3. How many are employed on maintenance?

4. How many were employed on maintenance a year ago?

5. Are any outside contractors also employed on maintenance?

6. If so, how much are they paid, and how much were they paid a year ago?

Hon. Paul Hellyer (Minister of Transport):

1. 15.

2. 15.

3. 11.

4. 11.

5. Yes.

6. There are two outside contractors in 1968/69 paid as follows:—Building cleaning, $19,200 annually; Landscaping, $7,200 annually. There were two outside contractors in 1967/68 paid as follows:—Building cleaning, $12,000 annually; Landscaping, $8,000 annually.

PARKING LOT RECEIPTS, VICTORIA AIRPORT

Question No. 610—**Mr. Anderson:**

What were the monthly receipts from the parking lot at Victoria International Airport during the past year?

Hon. Paul Hellyer (Minister of Transport): Monthly receipts from parking lot at Victoria international airport April 1, 1967 to October 31, 1968:

Month	Year	Revenue
April	1967	$326.05
May	"	599.50
June	"	651.65
July	"	653.25
August	"	864.75
September	"	644.40
October	"	568.50
November	"	461.70
December	"	438.50
January	1968	387.65
February	"	586.80
March	"	458.58
April	"	553.59
May	"	531.15
June	"	499.22
July	"	845.24
August	"	691.30
September	"	655.65
October	"	604.09

WRITE OFF OF POLLUTION EQUIPMENT COSTS

Question No. 615—**Mr. Durante:**

1. Does federal legislation permit industrial concerns to write off capital costs incurred for equipment installed to combat or prevent water pollution, in two years rather than on a percentage diminishing balance?

2. Are the same concessions in effect for costs of equipment installed to control or prevent air pollution and, if not (a) for what reasons (b) will the government give early consideration to the extension of such concessions?

Hon. E. J. Benson (Minister of Finance): 1. Yes, with respect to property described in class 24 of schedule B of the Income Tax Act regulations.

2. No. (a) and (b) This is a matter of government policy. If the government proposes an amendment to the Income Tax

Act regulations it will be announced at the appropriate time.

PAYMENTS UNDER MARITIME FREIGHT RATES ACT

Question No. 655—**Mr. Forrestall:**

How much was paid to railway companies under the Maritime Freight Rates Act in each of the years 1958-67?

Hon. Paul Hellyer (Minister of Transport): 1958, $12,568,126; 1959, $13,150,750; 1960, $14,261,201; 1961, $14,064,800; 1962, $12,209,476; 1963, $12,936,500; 1964, $13,405,076; 1965, $14,724,861; 1966, $15,054,696; 1967, $14,335,157.

SOOKE HARBOUR SPIT

Question No. 661—**Mr. Anderson:**

1. Has the Department of Public Works received any correspondence within the past year on the condition of the Sooke Harbour Spit?

2. Has the Department of Public Works carried out a survey of the condition of the Spit in recent months?

3. Does the Department of Public Works have any plans to carry out repairs to or strengthening of the Spit?

Hon. Arthur Laing (Minister of Public Works): 1. No.

2. Yes, January 1968.

3. Not at the present time.

APPLICATIONS UNDER AREA DEVELOPMENT PLAN

Question No. 663—**Mr. Muir (Cape Breton-The Sydneys):**

1. How many applications have been received by the federal government for the incentives available under the Area Development Agency since the inception of the program?

2. Of the total number of applications received, how many have been approved and what was the total amount of assistance provided to the industries in question?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): 1. 1,452.

2. Nine hundred and thirty-six of the applications have been approved or are being considered for approval. Benefits consist of capital grants under the Area Development Incentives Act which is currently in effect, or income tax abatements under section 71A of the Income Tax Act which had an expiry date, for qualifying eligible projects, of March 31, 1967. Payment of $27,924,000 has been made in development grants to approved projects. In projects involving income tax abatement, actual values of benefits will not be known until after the tax free periods have expired.

INCOME TAX DEDUCTIONS, MUNICIPAL AND SCHOOL TRUSTEES

Question No. 665—**Mr. Durante:**

1. Does the Department of National Revenue permit members of municipal councils to deduct the amount of their council indemnities from gross earnings in completing their personal income tax returns?

2. Is the same consideration given to members of Boards of School Trustees who also receive indemnities and, if not (a) for what reasons (b) will the government give early consideration to permitting such concessions to these elected officials?

Hon. E. J. Benson (Minister of Finance): 1. An amount may be excluded from the income of members of municipal councils under authority of section 10(3) of the Income Tax Act which reads as follows: "Where an elected officer of an incorporated municipality has been paid by the municipal corporation an amount as an allowance in a taxation year for expenses incident to the discharge of his duties as an elected officer of the corporation, the allowance shall not be included in computing his income for the year unless it exceeds one half of the amount that was paid to him in the year by the municipal corporation as salary or other remuneration as an elected officer of the corporation, in which event there shall be included in computing his income for the year only the amount by what the allowance exceeds one half of the amount so paid to him by way of salary or remuneration."

2. (a) No. There is no provision in the Income Tax Act excluding an amount paid as an allowance for expenses to a member of a board of school trustees. (b) This is a matter of government policy. If the government proposes an amendment to the Income Tax Act it will be announced at the appropriate time.

R.C.M.P. PERSONNEL IN QUEBEC

Question No. 667—**Mr. Matte:**

1. How many members of the RCMP were stationed in Quebec in 1960, 1961, 1962, 1963, 1964, 1965, 1966, 1967 and 1968?

2. Is the constitution of the RCMP officially bilingual?

Hon. G. J. McIlraith (Solicitor General): 1. 1960, 325; 1961, 339; 1962, 378; 1963, 429; 1964, 424; 1965, 496; 1966, 515; 1967, 611; 1968, 684.

2. The constitution of the R.C.M. Police is fundamentally the R.C.M. Police Act, a federal statute published in both the English and the French language.

YOUNG PENITENTIARY INMATES

Question No. 682—**Mr. Diefenbaker:**

How many inmates are there in Canadian penitentiaries (a) 14 or 15 years of age (b) 16 years of age (c) 17 years of age?

Hon. G. J. McIlraith (Solicitor General): On November 7, 1968 there were: (a) 1; (b) 12; (c) 38.

QUESTION PASSED AS ORDER FOR RETURN

WINTER WORKS EXPENDITURES, PONTIAC CONSTITUENCY

Question No. 509—**Mr. Lefebvre:**

1. What sum of money was provided by the federal government under the Winter Works Program for each year 1962-1968 in the federal constituency of Pontiac and what sum was paid by the provincial government for the same period?

2. What was the total amount spent in each municipality during the seven years in question?

Return tabled.

NATIONAL DEFENCE

NATO AND NORAD—DECISIONS RESPECTING CANADIAN COMMITMENT

On the orders of the day:

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I would like to ask the Prime Minister a question. Can the right hon. gentleman tell us just when it was that the government came to a decision to defer its 20 per cent reduction in the size of the air division in Europe?

Right Hon. P.-E. Trudeau (Prime Minister): In the course of the past weeks, Mr. Speaker.

Mr. Baldwin: Mr. Speaker, my supplementary question arises from the statements made both inside and outside the house with regard to Canada's commitment to assign four anti-submarine destroyers to NATO. Will the Prime Minister advise the house whether the government intends to proceed with the production schedule and fulfil the delivery dates for the four ships, commencing in June 1971 and ending in September 1972?

Mr. Trudeau: Mr. Speaker, I repeat what I was saying on Friday, that this was a decision which was made quite some time ago. As a matter of fact the construction of these ships was announced by the Minister of National Defence on December 22, 1964, and a further announcement was made by Mr. Drury and Mr. Cadieux when the contracts were let on April 6, 1968. Therefore these are decisions which had been made in the past, and contracts having been let the position we took—and this is the position Mr. Cadieux took in Europe—was that these ships would be at the disposition of the NATO command, as were our other anti-submarine ships in the Atlantic area.

Of course this does not prejudge what we will decide to do as a result of our review. If we should decide that we do not want the ships to be allocated to NATO we are free to decide that, but Mr. Cadieux was repeating—

Mr. McGrath: Order.

Mr. Trudeau: Thank you very much—the Minister of National Defence was repeating a commitment which had been made by the Canadian government as early as 1964 regarding the construction of these ships.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, would the Prime Minister say whether, in view of the colossal build up in the navy of the U.S.S.R., Canada was approached to integrate the naval strength that she has with the naval forces of the European NATO members and, in particular, to join in strengthening NATO forces in the Mediterranean?

Mr. Trudeau: Concerning whether we were approached I would have to inquire and either give the answer or have the Minister of National Defence give the answer. But I have reason to doubt that we have been approached, because the present position is that all of Canada's anti-submarine forces which are based on the east coast are at present committed to the NATO command and are operative in the Atlantic area.

Mr. Diefenbaker: The question which I presume the Prime Minister wishes to have allocated to the Minister of National Defence is whether there is any question of these forces, the Canadian naval units, being placed in the Mediterranean.

Inquiries of the Ministry

Mr. David Lewis (York South): Mr. Speaker, I should like to ask the right hon. gentleman whether a statement which is reported to have been made by the Postmaster General to the effect that Canada's foreign aid ought to be equal to or exceed our defence expenditures was, as I hope it may have been, a statement of government policy.

Mr. Trudeau: Mr. Speaker, I have not seen the Postmaster General since he made that statement. I will ask him whether he actually made it. I do know that he intended to make some statement to the effect that it was very important to have external aid, but in respect of what the percentage would be in relation to Canada's over-all defence commitments I am not aware.

Mr. Lewis: May I ask the right hon. gentleman whether this problem of increasing foreign aid and decreasing our defence expenditures generally, including NATO, is one of the matters now under active review.

Mr. Trudeau: Yes, very definitely. In our review of external affairs and in our defence review we are looking very actively at the alternative ways of spending money usefully in our foreign relations, and this is one of them.

Mr. Lewis: May I ask the right hon. gentleman, arising out of the communiqué of the NATO foreign ministers' meeting, did our Canadian representatives make clear that any suggestion that NATO would involve itself in any action that may take place on the eastern side of the iron curtain would not meet with Canadian support?

Mr. Trudeau: The question is rather too vague for me to answer it. Any action on the other side of the iron curtain—well, it would really depend on what it was. If I.C.B.M.'s come up from that side and are aimed at us, well—

Hon. J. A. MacLean (Malpeque): Mr. Speaker, arising from the Prime Minister's statement in Kingston about the basis of the government's review of Canada's position in NATO, will the Prime Minister say whether the same plan will apply with regard to our continuation in NORAD? Is our continuation in NORAD subject to the general review of defence matters of which the Prime Minister speaks?

Mr. Trudeau: Yes, Mr. Speaker. The kind, quality and number of armaments which we will want to commit under NORAD are very much the subject of the external affairs and defence review.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, is the government continuing a reappraisal or reassessment of all existing plans and commitments for the defence of North America?

Mr. Trudeau: It is a general review. I think I can say we are examining all existing plans.

Mr. David MacDonald (Egmont): Mr. Speaker, the other day I asked the Prime Minister whether he would indicate who was carrying on the study of the terms of reference, and he was unwilling to do so. Would he inform the house what opportunity may exist for interested Canadians to participate in this government review of foreign and defence policy?

Mr. Trudeau: Well, at this stage I suppose they have available to them the normal channels of communication. There probably will be a later stage at which they will want to write to their members of parliament indicating to them what views they would like to see held in this house when we are discussing the review and policy which the government will put forward.

Mr. MacDonald (Egmont): Does the Prime Minister indicate that there will be no formal way in which individuals or groups who have devoted a good deal of time to this matter and have gained a good deal of experience in respect of this important aspect of Canadian life will have an opportunity to make their representations?

Mr. Trudeau: Not in a formal way to the government at this stage.

Mr. MacDonald (Egmont): At any stage?

Mr. Trudeau: As I said, at a later stage of course they could, when they know what our proposals are. They could express their views on them then, but at this stage the government is engaged in the business of establishing policies in very, very many areas, and we do not consult the organized groups before making any policy in any area.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, would the Prime Minister agree to let us have a copy of his itinerary for the next few months so we could participate in such a review?

Mr. Speaker: Order, please.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, may I ask the Prime Minister whether there has been any formal negotiation with the United States with regard to a cut-back in our NORAD commitment, and what is the United States attitude in this regard.

Mr. Trudeau: I beg your pardon?

Mr. Woolliams: What was the United States attitude with regard to any formal negotiation concerning any cut-back in our commitment to NORAD?

Mr. Trudeau: At this stage we are trying to establish what the government policy will be in the years and decades to come. We are not consulting the United States on that. We want to advance our own decision-making processes ourselves before either coming to parliament, going to the United States or going to these advice groups which were mentioned in an earlier question.

Mr. Woolliams: Do I take it, then, from the Prime Minister's answer that in this area of review of our commitment to NORAD no discussion is taking place with the United States at this time with reference to the defence of America, and that it is a purely unilateral decision of the Canadian government?

Mr. Trudeau: Mr. Speaker, under the NORAD agreement, as under the NATO agreements, certain mechanisms do exist for consultation. This is going on all the time, but certainly there is no specific consultation with the United States on the direction of our review at this time.

[*Translation*]

OLD AGE SECURITY

SUGGESTED PENSIONS TO YOUNGER WIVES OF PENSIONERS

On the orders of the day:

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the right honourable Prime Minister.

As Canadians now get their pension at 67 years of age, which does not necessarily authorize payment of a pension to the wife who may be, let us say, 55 years of age or some 15 years younger than her husband, has the right honourable Prime Minister or the government considered the possibility of authorizing payment of a pension to a younger wife whose husband is already getting his old age pension?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, questions relating to pensions generally come under the purview of the Minister of Finance, and I wonder if the hon. member would not want to put this question to him when he is in the house?

Mr. Caouette: Mr. Speaker, a supplementary question.

I could have put my question to the Minister of Finance, but the right honourable Prime Minister knows that the Minister of Finance cannot decide on his own and that it is the cabinet that decides. The right honourable Prime Minister should therefore be able to answer.

Mr. Speaker: Order. The hon. member has already put his question.

Mr. Caouette: Mr. Speaker, I did not get any reply.

[*Later:*]

Mr. Caouette: Mr. Speaker, I rise on a point of order. The Prime Minister has just told me that I should put my question to the Minister of Finance, and I would like to advise him that the matter does not come under the Minister of Finance but rather the Minister of National Health and Welfare.

[*English*]

GRAIN

WHEAT—INQUIRY AS TO INTRODUCTION OF TWO PRICE SYSTEM

On the orders of the day:

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I had a question for the Minister of Industry, Trade and Commerce or the Minister of Agriculture, but in their absence from the house I should like to direct it to the right hon. Prime Minister. In the light of the clear-cut call by delegates presently attending the annual meeting of the Saskatchewan wheat pool for a two price system for wheat, will the government give favourable consideration to this request or some other acceptable alternative.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, these ministers are to be in the house on Wednesday. I think the question might be asked of them then.

Inquiries of the Ministry

EXTERNAL AID

NIGERIA—PROVISION OF CARIBOU AIRCRAFT FOR RELIEF FLIGHTS

On the orders of the day:

Hon. D. S. Harkness (Calgary Centre): Mr. Speaker, I should like to ask the Prime Minister whether the Caribou aircraft which were to be sent to Nigeria for the distribution of food supplies have now been dispatched to that country; or has there been a change of plans in this regard?

Right Hon. P.-E. Trudeau (Prime Minister): As of Friday, Mr. Speaker, the Caribou aircraft had not been dispatched to that country, at the request on the Red Cross itself, which felt that they could not usefully be put into service at this time.

Mr. Harkness: I have a supplementary question which is really part of my original one. Has a decision now been made by the Canadian government not to send these aircraft?

Mr. Trudeau: No, Mr. Speaker, we are still holding them ready for service. The house will remember that it was as the result of a discussion by my representative with General Gowon that we were told this would be the best alternative in view of the impossibility of using the Hercules. That is why we said we were prepared to commit them. As of now there is some question as to whether they are actually needed in that Nigerian area.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I wonder whether I might ask the Prime Minister a question about the Canadian Hercules at Fernando Po. Is it still grounded, or has it been brought back from the Nigerian-Biafran area?

Mr. Trudeau: Mr. Speaker, we still hope, though with less enthusiasm as a result of no answer from Colonel Ojukwu to the daylight flight proposal and Red Cross negotiations, that we will be permitted to make daylight landings of the Hercules. We still do not know of any reason why flights of Hercules in the daytime, in order to help serve the people of Biafra, would not be authorized by their own leaders.

Mr. Brewin: Would the Prime Minister say something about night flights? He replied in respect of daylight flights, but is the Hercules being used on night flights?

[Mr. Trudeau.]

Mr. Trudeau: As of Friday, night flights to my knowledge have not been resumed, Mr. Speaker.

Mr. David MacDonald (Egmont): Mr. Speaker, in view of the fact that, to the best of my knowledge, every night last week and last night as well planes have been operating at night into Nigeria, why have not arrangements been made in the interim to have perhaps not one but an additional one or two Hercules aircraft operate in order to step up efforts to meet the relief requirements that are growing steadily, particularly when these people are nearing the end of their local harvest?

Mr. Trudeau: Hon. members know there have been some casualties as a result of night flights, and that we made a very reasonable proposal to make these flights in daytime when we would be able to bring in much more food with much less danger. We have the authority from the Nigerian government to do so. The Red Cross is interested in doing that, but we still do not have an answer from the Biafran leaders as to why they do not want us to fly in the daytime. We can only speculate that they have an interest in intermingling arms and relief flights in order that there may be confusion.

Mr. MacDonald (Egmont): Mr. Speaker, I wonder whether the Prime Minister could indicate first whether at the moment there is any prohibition on the part of Nigeria to continue any flights that we commenced with our Hercules aircraft and, second, in what way we have attempted to contact the Biafran officials to ascertain whether there is a possibility of daytime operations.

Mr. Trudeau: In respect of the first part of the question, we do know the Nigerian government has said it would no longer give any assurance that the night flights would not be attacked, for the very simple reason that it is during the night that all the arms are getting in, and for the additional reason that they also authorized daylight flights. Having regard to the second part of the question, you had better ask it again, as I do not remember what it was.

Mr. MacDonald (Egmont): In asking the question again, Mr. Speaker, may I indicate that the Prime Minister has suggested that arms are moving in both during the day and

at night. In respect of what time on the clock could we get approval allowing these flights?

Some hon. Members: No, no.

Mr. Speaker: Order, please.

Mr. MacDonald (Egmont): In the second part of my question, Mr. Speaker, I asked specifically what contact has been made with Biafran representatives in order to make the necessary arrangements for daytime operations.

Mr. Trudeau: In answering the question I should indicate for the purposes of the record that I did not say arms flights were coming in during the day. Having regard to the second part of the question, I explained that we have made our proposals and the Nigerian government's proposal to the International Red Cross. It has undertaken to speak to Colonel Ojukwu in an effort to influence him to accept this position. I wish hon. members of this house and other people in this country who seem to have a lot of influence with Colonel Ojukwu would also speak to him and get an assurance from him.

CANADIAN CONSTITUTION

ATTENDANCE AT CONFERENCE OF OBSERVERS FROM OPPOSITION PARTIES

On the orders of the day:

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I should like to ask the right hon. Prime Minister whether it is the intention of the government to make the meetings of the federal-provincial conference dealing with the constitution and finance, to be held next month, open to observers appointed by the provincial and federal opposition parties.

Right Hon. P.-E. Trudeau (Prime Minister): I cannot speak, of course, with respect to the provincial opposition parties, Mr. Speaker. The provinces are empowered to compose their delegations as they wish. As far as the federal government delegation is concerned, we had not planned to have any members of opposition parties as members of the delegation. Hon. members will recall that last year we reserved places at the conference for the various opposition parties in this house, and it was up to them to allocate these places to the members they desired. We plan to continue this procedure if we get the approval of the provincial governments.

Mr. John M. Reid (Kenora-Rainy River): Mr. Speaker, has the Prime Minister given any consideration to the possibility of placing on the agenda of the forthcoming conference the formation of an eleventh province made up of northern Ontario and northern Quebec?

Mr. Trudeau: Mr. Speaker, the officials who are charged with establishing the agenda had not been seized of this problem when they last met. I doubt whether it will be able to get on the agenda at this late stage. Perhaps it will in some other year.

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a very serious supplementary question for the Prime Minister. Will he indicate whether arrangements have been made to include elected representatives from the Yukon and Northwest territories at the conference?

Mr. Trudeau: I believe I indicated some days ago that there was an intention to have representatives from the Yukon and Northwest Territories, either or both, as members of the federal delegation, but this delegation has not yet been established.

INQUIRY AS TO AGENDA FOR CONFERENCE

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether the agenda has now been settled for the conference with provincial premiers regarding the constitution in December? If so, would the Prime Minister be prepared to inform the house as to the agenda for the conference, since this is a matter of great public interest?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I agree that it is a matter of public interest, but the continuing committee of officials just finished discussing this subject some days ago. I have now a letter for my signature to go out to the provincial premiers suggesting an agenda to them. As soon as I have agreement on the agenda, and agreement that there is nothing confidential in it, I would be glad to let this house know what the agenda is.

HEALTH AND WELFARE

PROPOSED LIMITATION ON GRANTS FROM HEALTH FUND

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to ask the Minister of National Health and Welfare whether he is now in a position to answer the

question I asked last Thursday, and the question asked by my friend the hon. member for Sincoe North, concerning the announced freeze on grants available under the Health Resources Fund Act. In view of the statement made in a report to the Medical Research Council last week as to the serious effect of this freeze, will the minister reconsider his position?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, this was a firm decision taken by the federal government at the health ministers' conference, and no reconsideration is being given to it at this time. What is being given consideration, however, is the allocation of the moneys in the fund in order that there will not be too much harm so far as the projects of the provinces are concerned.

[*Later:*]

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I should like to ask the Minister of National Health and Welfare a question arising from the statement by the government of Manitoba that the cutback from a five year to a two year period in the health research and building fund will render joint planning with the university and major hospitals almost impossible. Is it the intention of the government to engage in any further discussion with the provinces on the future of this federal program?

Mr. Munro: Yes, Mr. Speaker. Those discussions are going on, and that intent was conveyed to the provincial health ministers at the conference.

ADMINISTRATION OF JUSTICE

BRITISH COLUMBIA—MOUNTED POLICE PROSECUTIONS INVOLVING INDIANS

On the orders of the day:

Hon. John N. Turner (Minister of Justice): Mr. Speaker, on Friday the hon. member for Skeena asked whether the attention of the government had been drawn to a recent statement by Mr. Allan Bate to the effect that in court cases involving native Indian people the R.C.M.P. take sides against these native people and put them in the position of not being able effectively to obtain justice in the courts. This question was taken as notice by my parliamentary secretary, and I should like to reply to it on behalf of the Solicitor General.

Senior members of the force have been in touch with Mr. Allan Bate in order to obtain some clarification. Mr. Bate states that he did not say the R.C.M.P. is against the native people. He also states unequivocally that he has the highest regard for the force and for members of the force whom he has encountered in his work over the years as counsel. He did say, however, that from his over-all experience no policeman should be put in the position of acting as investigator, accuser and often adviser to illiterate persons involved in offences, and this is more likely to occur in isolated areas policed by the force. In short, Mr. Bate is against the system and not the police, and has undertaken to explain his views fully in writing to the attorney general of British Columbia.

EXTERNAL AFFAIRS

MEXICO—ARREST AND DEPORTATION OF CANADIAN JOURNALISTS

On the orders of the day:

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Acting Secretary of State for External Affairs. Has our embassy in Mexico City investigated and, if warranted, taken steps to protest to the government of Mexico against what appears to be the highly unorthodox arrest and deportation of two Canadian journalists?

Hon. C. M. Drury (President of the Treasury Board): That question will be answered tomorrow, Mr. Speaker.

Right Hon. J. G. Diefenbaker (Prince Albert): I have a supplementary question, Mr. Speaker. Would the minister also find out whether these two itinerants were in Mexico under direction from the Canadian Broadcasting Corporation to bring back pictures of revolutionary movements and the like, as though we did not have enough revolutionaries coming to Canada?

[*Later:*]

Mr. Diefenbaker: Mr. Speaker, I rise on a point of order. I asked whether in the absence of the minister an inquiry would be made of the C.B.C., and I submit I am entitled to an answer to that question because today with the minister absent again it is hard to—

Mr. Speaker: Order, please. I suggest that perhaps the right hon. gentleman is entitled to ask his question, but he is not entitled to the supplementary comments.

Mr. Diefenbaker: Mr. Speaker, my supplementary comments were just to help the government along. Would the minister make that

inquiry so we may find out what these itinerants were doing down there?

Mr. Drury: Mr. Speaker, I will see that inquiries are made of the C.B.C., but I am sure the right hon. gentleman would sooner see pictures of revolutionaries than the revolutionaries themselves.

Mr. Eldon M. Woolliams (Calgary North): I have a supplementary question, Mr. Speaker. When the minister makes the investigation I wonder if he would investigate whether this revolution in Mexico which they were trying to film was a fictitious one or a real one.

Mr. Speaker: Order, please.

GREECE—DEATH SENTENCE IMPOSED ON STUDENT

On the orders of the day:

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister. Is the government aware that a student opponent of the Greek regime has very recently been condemned to death? If so is the Canadian government, as a fellow member of NATO, contemplating any action it might take in urging the Greek government to reconsider its decision in this matter?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I will have to inquire into the matter.

INDUSTRY

CAPE BRETON—REPORT OF DEVELOPMENT CORPORATION

On the orders of the day:

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a question for the Minister of Forestry and Rural Development. Could the minister say, having studied and tabled the plan of the Cape Breton Development Corporation, whether he endorses this particular plan?

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, I stated that it was approved by the government.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a supplementary question for the Prime Minister. In light of the fact that the Minister of Forestry and Rural Development referred to the report as a government report, I would ask the Prime Minister whether he agrees that this report has been drawn up and formulated in accordance with Bill C-135.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I will have to discuss this with the minister.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, since the minister is here and we never know ahead of time when he will be back, could he answer the question now?

Mr. Trudeau: Mr. Speaker, I will discuss it with him right now.

Mr. Speaker: Order, please.

OFFICIAL LANGUAGES

SUGGESTED REFERENCE OF LEGISLATION TO SUPREME COURT

On the orders of the day:

Mr. Walter Deakon (High Park): Mr. Speaker, the question I wish to ask today was posed to the right hon. Prime Minister last Friday and I understand was referred to the Minister of Justice. So, if I may, I should like to pose this question to the Minister of Justice. Will he advise the house whether he will refer the official languages bill to the Supreme Court of Canada for a ruling as to its validity before proceeding further with it in the house, in view of the submissions made to the right hon. Prime Minister by Mr. Thorson, the former president of the Exchequer Court of Canada?

Mr. Diefenbaker: And former Liberal minister of the government of Canada.

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I read very carefully, as have the law officers of the crown, the letter of Mr. Thorson, and the law officers of the crown advised me that Bill C-120, known as the official languages bill, in no way purports to amend the constitution of Canada or to affect or modify any legal right or obligation contained in the constitution relating to either the English or the French language, and that the enactment of this bill into law will in no wise affect or modify the permission conferred or the obligations imposed by section 133 of the British North America Act. In short, the constitution of Canada as regards the use of the English or French language will remain the same.

I can therefore say, in answer to the hon. member's question, that there is no present intention on the part of the federal government to refer the bill to the Supreme Court of Canada.

Inquiries of the Ministry

COMPANY OF YOUNG CANADIANS

POSSESSION BY MEMBER OF CONFIDENTIAL CONSULTANT'S REPORT

On the orders of the day:

Mr. Louis-Roland Comeau (South Western Nova): I have a question for the Prime Minister. Will the Prime Minister cause the Solicitor General to determine the means by which an advance confidential copy of a consultant's report to the Company of Young Canadians came into the possession of the hon. member for Burnaby-Seymour, and have the Solicitor General advise the house whether action will be taken of the kind threatened to be taken against the publishers of *La Presse*?

HUMAN RIGHTS

REPORTED STATEMENT RESPECTING RACIAL DISCRIMINATION

On the orders of the day:

Mr. Barry Mather (Surrey): Mr. Speaker, I have a question for the Minister of Labour, having in mind the statement made over the week end by a labour department official to the effect that Canadians should back up the anti-discrimination law of the country by rooting out racial discrimination in clubs, business circles and fraternities. My question is, will the minister indicate active support of such a good declaration?

Mr. Speaker: Order, please. The hon. member is asking for a statement of opinion on the part of the minister, or a statement of policy. I do not think the question should be asked in this way.

FINANCE

REPORTED INTEREST RATES UNDER FARM LOAN LEGISLATION

On the orders of the day:

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, this could be a question of privilege but perhaps I could put it as a question to the Prime Minister because it relates to two departments, the Department of Agriculture and the Department of Finance. Both these departments issued releases over the week end setting interest rates under the Farm Credit Corporation Act and the Farm Improvement Loans Act for loans on land at 7¾ per cent and for loans for other purposes at 7½ per cent. Is this not a typographical error? Surely no minister would set rates this high.

Mr. Speaker: Order, please.

[Mr. Turner (Ottawa-Carleton).]

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. Could the minister say whether the increased unemployment in the Atlantic region is the result of the government's program curtailing government plans and government expenditures as was recently suggested by the Minister of Finance?

Mr. Speaker: Order, please. The question as asked is argumentative.

EXTERNAL AFFAIRS

REQUEST FOR PROVISION FOR HOUSE DEBATE

On the orders of the day:

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I should like to ask the Prime Minister whether he could indicate to the house when the safari into the southern hemisphere will terminate; and would he discuss with his colleague the President of the Privy Council when arrangements could be made through the usual channels for a debate on external affairs through reference of an appropriate item in the estimates, to deal with the question of the NATO arrangements?

Hon. Donald S. Macdonald (President of the Privy Council): Perhaps I might reply to that, Mr. Speaker. As hon. members know, as the result of a special order the house will be dealing with the report from the external affairs committee on the question of Nigeria and that part of it called Biafra on November 26. I would be pleased to consult with my hon. friends with regard to the possibility of getting the estimates of the Department of National Defence and the Department of External Affairs fully dealt with in the standing committee on external affairs and national defence at an early date and using one of the other supply days to discuss this subject.

HEALTH AND WELFARE

VANCOUVER—REPORTED SALES OF SWEDISH ABORTION PILL

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, a few days ago, in the absence of the Minister of National Health and Welfare, the parliamentary secretary told

me he would take the following question as notice:

In view of press reports that a Swedish-made abortion pill is now being sold in Vancouver, is the minister investigating this reported illegal traffic?

Hon. John C. Munro (Minister of National Health and Welfare): That matter is being looked into, Mr. Speaker.

CRIMINAL CODE

SUGGESTED AMENDMENTS RESPECTING CORPORAL PUNISHMENT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Justice. In view of the concern being expressed by members and other responsible people with regard to the lash and other forms of corporal punishment used in our prisons and penitentiaries, may I ask the minister whether the government is considering including in the omnibus bill an amendment to the Criminal Code to provide for changes in respect of corporal punishment.

Hon. John N. Turner (Minister of Justice): No, sir, not in the presently reviewed omnibus bill. I have stated that the bill will contain, in substance, only the matters that were before the house in Bill No. C-195.

Mr. Knowles (Winnipeg North Centre): May I ask the minister whether this matter is being considered by the government or by the Department of Justice under any other head?

Mr. Turner (Ottawa-Carleton): There is no active consideration being given by the government to this subject. It is a matter which I am prepared to look into, taking into account expert advice from all quarters.

Mrs. Grace MacInnis (Vancouver-Kingsway): May I ask the minister, Mr. Speaker, when it is expected the omnibus bill will be introduced?

Mr. Turner (Ottawa-Carleton): It has been redrafted, and I want to bring the changes in detail before my colleagues and have it submitted to the house as soon as I can.

[*Later:*]

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I have a question arising out of an answer given earlier by the Minister of Justice. In view of the fact that there is a widespread division of opinion regarding the legislation of abortion and homosexuality, will those two matters be separated from the omnibus bill when it is presented so that members may vote with particular reference to these matters? Will there be a free vote on these two questions which are above politics and have important social considerations?

Mr. Turner (Ottawa-Carleton): I certainly appreciate the non-partisan nature of that question, Mr. Speaker. It is our present intention to submit this bill to the house as one bill. Of course, if the bill succeeds in obtaining second reading and goes into clause by clause study, there will be an opportunity at that time to debate every one of the individual items. It is my present view that the bill will be a government bill presented as one measure.

Mr. Diefenbaker: Is the government going to restrict the right of members to vote according to their conscience? Are the whips going to apply?

FORESTRY

REPORTED INQUIRY INTO MECHANIZATION OF INDUSTRY

On the orders of the day:

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I have a question for the Minister of Forestry and Rural Development. Since the minister's department has just announced an inquiry into the mechanization of the forest industry, can the minister say whether this inquiry has any terms of reference with respect to the loggers and other workers in this industry so affected?

Hon. Jean Marchand (Minister of Forestry and Rural Development): I know of no such inquiry, Mr. Speaker. Was the announcement from the Department of Forestry and Rural Development?

Mr. Lundrigan: Perhaps I misdirected my question, Mr. Speaker. The minister's department is having the notice sent out. Perhaps I should direct my question to the parliamentary secretary of the Minister of Fisheries, who has been making pronouncements in that regard.

[*Later:*]

Mr. Lundrigan: Mr. Speaker, could I have an answer to the question I directed to the minister responsible for forestry?

Mr. E. F. Whelan (Parliamentary Secretary to Minister of Fisheries): Mr. Speaker, the minister responsible for forestry will be here tomorrow, and I will refer the question to him.

SUPPLY

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

AUDITOR GENERAL

50. Salaries and expenses of office, $2,427,400.

Mr. Baldwin: Mr. Chairman, I have a few general comments to make. I do not know whether it is the intention of the minister to make a statement but possibly he may have something to say later. I might indicate to you, Mr. Chairman, and to the members of the committee that it is not our intention to unnecessarily delay consideration of this particular vote nor the vote which will follow because the public acccounts committee is now sitting and the Auditor General is appearing before that committee. There will be, therefore, substantial opportunities in the committee to deal with the Auditor General's position and his functions. However, there are a few comments I should make which may invite a reply from the minister.

Some time ago it was suggested in this house, and also in the public accounts committee, that it may well be suitable for the office of the Auditor General to be the subject of a special act of parliament. At the present time, as members well know, all the legislation that relates to the Auditor General is in the Financial Administration Act or in special acts of parliament which call upon the Auditor General to perform the task of auditing the accounts of the corporations which are involved. It was proposed in the public accounts committee, and my recollection is a draft act was submitted to the committee and was the subject of some discussion, that having in mind the independent nature of this officer appointed by the government but reporting to parliament, a special act might well be considered. This bill could be brought before the house at a suitable opportunity, and I should like to have some comments on that suggestion.

• (3:40 p.m.)

Again, Mr. Chairman, may I say that I think the house should have some better way than it now has of dealing with the recommendations of the Auditor General. At present they are put before the public accounts committee, subsequently made the subject of discussion in that committee and then dealt with further in the form of recommendations made in the report of the committee which then comes into the house but upon which no further action is taken. I think it is in the interests not only of the government and the house but of proper administrative efficiency that some means be devised whereby the recommendations of the committee be made the subject of debate in this house. I am not suggesting that there should be a long debate. I am not suggesting for a minute that the government must accept the recommendations of the committee.

It is well known, Mr. Chairman, that following the lead taken by the right hon. member for Prince Albert when he was prime minister the public accounts committee was given a new impetus, a new life. The chairman of that committee at the time was a member of the opposition party and had a very successful and distinguished career as chairman. Since that time this committee has had the opportunity to function in a non-partisan way more than any other committee of the house.

When this committee has considered in detail the recommendations and proposals made by the Auditor General, has considered his report and come to a determination, I think it is quite improper for no action to be taken on the committee's report. It has been my experience—and I am sure all other members who have served on the committee would agree with me—that to a very large extent the recommendations of this committee are almost always unanimous. In that way it is as non-partisan a committee as can be found. Its recommendations are objective and are directed toward securing a better and more efficient administration of government departments.

Therefore, Mr. Chairman, it is surely only fair and proper that some means be found, within reasonable limits, to debate in this house the recommendations of the committee when it reports to the house. One need only examine the last report of the Auditor General to discover that a very large number of the recommendations of the public accounts committee have not been dealt with, have not been considered, and the government has not come to a point of view about them or indicated whether it is for or against them. This certainly does not result in expeditious and effective government operation. I therefore suggest that some consideration be given to this point.

I realize, Mr. Chairman, that I can be told by the minister—and he will be quite right to tell me—that this is a matter for the committee. Nevertheless, I think it has been understood in the past that the report made by the committee withers on the vine and nothing

happens. In Australia, they have devised a far better and more efficient way to deal with this problem. The public accounts committee operates under an act of parliament. Its functions are set out by statute. Its appointment is arranged by statute. In the pursuit of its duties it publishes, at frequent intervals throughout the year, a document that sets out the recommendations of the committee side by side with what action, if any, has been taken by the government to implement them. This means that there is available to members of the public, to the government's officers and to members of the Australian House of Representatives at all times a clearcut and balanced interpretation of what the recommendations have been and what the government is doing about them.

I do not know whether this would be the answer to our problem, but I suggest that if there is to be any effective and meaningful role played by the Auditor General some better ways must be found to ensure that when a committee of the house, after serious and lengthy consideration, has made recommendations, those recommendations are the subject of debate in the house and, if necessary, of division in the house. After all, the government does not need to accept the recommendations. If it does not accept them the government should be prepared to come into the house and say why. If in the view of the opposition the matter is important enough to be the subject of a vote, then the house can decide by dividing on the issue.

The final point that I would make is this. On a number of occasions it has been suggested by the public accounts committee that the Auditor General should be joint auditor not only of government departments, crown corporations and other emanations in respect of which he is now authorized to conduct an audit but also joint auditor of all crown corporations. I draw to the attention of this committee a recent experience of this need in connection with one crown corporation, the Company of Young Canadians. I am not going into this question because it is now before a committee of the house, but I suggest through you, Mr. Chairman, to the members of this committee that if a joint audit had been done by the Auditor General and the private auditor, the recent experience might never have occurred.

Not only that, Mr. Chairman, but in circumstances where a change in the appointment of the private auditor is made, which does happen from time to time, I think the continuity that would be provided by the Auditor General appearing as joint auditor, with his experience and knowledge of the affairs of crown corporations, would be most invaluable. I should like to see the government give consideration to this recommendation. It is not a new one to me; it is a recommendation that has been made on a number of occasions in the public accounts committee.

These are the few suggestions that I make, Mr. Chairman. I do not know whether the minister would care to reply to them. I do know that other recommendations will be coming out of the public accounts committee. I assumed that the estimates of the Auditor General will be coming back to this house some time in the new year in a new form, and consequently as far as we are concerned we do not propose to pursue this matter. We say this without prejudice to our belief that there can be a better and more effective way found to deal with the functions of the Auditor General, but we are not prepared to hold up the estimates at this time. I do not want to inhibit the rights of other members, of course, but we feel that if this item and the other one can in due course carry we might well get into other legislative business later this day so as to try to help the government in its difficulties. However, these difficulties are of its own creation in that it has tried to get through the house the legislative diet that it has set for itself.

Mr. Burton: Mr. Chairman, I just wanted to state that this year I was named to the public accounts committee and was really quite shocked to find that a number of the situations referred to by the hon. member for Peace River existed. First of all we had a report from the Auditor General indicating the status of the recommendations that have been made by the public accounts committee from time to time in the past. Some 55 recommendations had been made by the public accounts committee, on 20 of which no action had yet been taken.

• (3:50 p.m.)

There were 16 other recommendations where the executive had indicated disagreement. These matters had been considered and there was disagreement with respect to them. I would judge such decisions on their merits. In 13 instances it was indicated that slow progress was being made. In certain discussions there appears to have been sensitivity on the part of some government members on the committee to the use of the word "slow".

The Auditor General used the word "slow" advisedly. Two of the recommendations have been implemented and another two are soon to be implemented. In one case the action taken has not been satisfactory and in another case a recommendation was withdrawn by the public accounts committee.

It can be seen that originally there were 55 recommendations and one was withdrawn by the committee, leaving 54. Of that number only four at this time can be said to have had adequate consideration and treatment. I submit that this is not a desirable state of affairs. It is not adequate and the minister and the government ought to attend to it immediately, particularly since the Treasury Board now fulfils certain functions with reference to items coming under the purview of the public accounts committee.

In the past there have been recommendations with respect to having an Auditor General's act. I understand that an act has been drafted and is ready for submission. I think it can be proceeded with. Could the minister say what action the government is going to take on this matter? Is it intended to bring forward the bill, and how soon? It seems to me that in this area the work of the Auditor General could do much to improve the operations of government as such. He could ensure that the government does a good job and could demonstrate through this act that the government can do as good a job for our society as any other segment of our economy. There is no reason why government cannot be operated as efficiently and effectively as any other part of our society.

The matters raised by the Auditor General need to be studied, and if we had an opportunity more than once a year to study many of the matters which are raised the public would have a good deal more faith in government as such. Bringing in the act would, I think, be in the the best interests of Canada and in the best interests of the state of affairs we wish to achieve in this country.

Mr. Allmand: Mr. Chairman, I wish briefly to reply to some remarks made by the hon. member who has just resumed his seat. The house leader for Her Majesty's Loyal Opposition said that the public accounts committee had not operated generally in a partisan way, nor had its reports been used in a partisan way. The hon. member who has just resumed his seat has used the report of the present committee in a partisan way. I say this because I was a member of that committee and was present when it brought down its report.

The hon. member tried to say that only four of the 55 recommendations have been subject to government action. I dispute that contention strongly. His interpretation of how the government has acted is partisan. The government has looked at many of the recommendations in the Auditor General's report and has decided it does not agree with those recommendations. That, I submit, is action.

With respect to those recommendations the Auditor General classified with the words "slow progress being made", may I point out that one of those items is with respect to the deficit on second class mail. Even though the government has introduced a bill in this house the Auditor General has still described the action taken as "slow progress being made". I submit that if committee members wish to refer to certain of these items they ought to point out merely that progress is being made. They ought to leave out the adjective "slow", especially when that adjective applies to second class postal rates. The bill has already been passed; yet the Auditor General says the government is making slow progress.

I submit that the point of view of the hon. member of the N.D.P. is completely wrong and his remarks are misleading. He is using the recommendations of the committee in a most partisan way, and I regret that.

May I ask the minister a question. The Auditor General at the first meeting of the public accounts committee said that certain members of his staff worked for the United Nations and its related agencies. He also said they received remuneration for this work. Can the minister say what this remuneration is? In the estimates certain revenue with respect to 1967-68 is indicated as applying to 1966-67. Does that revenue have reference to these international agencies or does it have some other significance? How much revenue is received by the Auditor General and his staff for work that is done for the United Nations and its related agencies?

Mr. Drury: Mr. Chairman, if no one else wishes to speak may I offer some brief comments on the points raised by hon. members who have spoken. The hon. member for Peace River, backed by the hon. member for Regina East, suggested it would be useful to introduce a special statute to delineate the powers, duties and responsibilities of the Auditor General. It was his understanding that a draft bill had been prepared and, if I

understood his meaning correctly, submitted to the public accounts' committee. I do not recall that the public accounts committee—I stand to be corrected if I am wrong—has recommended such a statute or forwarded a draft of such a statute in any of its reports to the house.

Mr. Baldwin: That is right. It has not.

Mr. Drury: There is much to be said in favour of this approach, though I do not think there is any evidence that the Auditor General is suffering in the discharge of his responsibilities as a consequence of there not being a special statute. Since we have a most crowded calendar—the hon. member for Peace River has said, I believe, that we are suffering from indigestion in this regard—

Mr. Baldwin: Dyspepsia.

Mr. Drury: —I do not think this is the right time to bring forward further bills that we might have difficulty digesting, especially in view of the high priority and high degree of importance of some other business.

The hon. member for Peace River has alluded to the non-partisan nature of this particular committee. I do not think the committee is any more non-partisan, or any less partisan, than any other house committee. By this I do not suggest that it is partisan. I think other committees are as devoted to the general public welfare as the public accounts committee and as indisposed to engage in partisan politics. Merely because the chairman of the public accounts committee sits on the opposition side of the house is no reason to claim any particular virtue for that committee. I am not denying it has some virtue but I do not agree it is overriding.

The suggestion has been made that the Auditor General might be the joint, if not the sole, auditor of the accounts of all crown corporations. I think it has been said during previous discussion regarding the auditing requirements of crown corporations that the function of an auditor is not only to certify the accuracy of accounts and the adequacy of control measures but also to provide specialized managerial advice. I think the hon. gentleman will recognize this. Perhaps certain of the crown corporations, particularly those in specialized fields, constitute an area in which the Auditor General might have no special experience such as that available to some of our larger auditing firms which are engaged either in purely domestic work or in international work.

• (4:00 p.m.)

Mr. Baldwin: If I am right, the Auditor General is the auditor of the Polymer Corporation, which is very much an international commercial organization. If he is capable of auditing effectively the books of such a corporation, would he not be equally able to audit the books of almost any crown corporation?

Mr. Drury: I am not suggesting that the Auditor General is incapable of auditing such accounts. I am sure he has this capacity; indeed, it has been demonstrated on a number of occasions in both the national and international fields. The point I was trying to make was that it is a common practice to look to a firm of auditors for what it is, in effect, a consulting service with respect to managerial problems. There are a number of specialized crown corporations which would wish to follow this practice, and I do not think the Auditor General would lay claim to specialized skills in this field.

After all, his experience has been almost entirely in the realm of government administration or international agency administration.

The hon. member for Notre-Dame-de-Grâce asked whether the Auditor General received payment for the services rendered by him and his staff to international bodies such as the United Nations. I regret to say I do not have details but it is my understanding that the Auditor General recovers from the United Nations his out of pocket expenses in relation to this auditing function. If the hon. member wishes to know the specific dollar sum I should be glad to try to find out.

Mr. Burton: I was pleased to hear the response of the President of the Treasury Board to some of the points made by the hon. member for Notre-Dame-de-Grâce. It seems to me it should be borne in mind that the Auditor General is above all a servant of the House of Commons and subsequently of the public accounts committee. When he makes reports on certain subjects, it seems to me these are a matter of concern to all members of the House of Commons regardless of party. If there is pressure for the implementation of some of the recommendations in these reports from all quarters of the house, surely this would be helpful to ministers such as the President of the Treasury Board in bringing about the implementation of some of these proposals. I would also suggest that when the Auditor General uses certain terms and descriptions he does so advisedly and in a considered manner. If we are to have confidence

in his ability—and there is every reason to do so—we should take these words for the most part in the manner in which they have been placed before us.

The point has been made that the executive has rejected a certain number of recommendations. I have already dealt with this matter. These items will be considered in my mind in a different way from the other recommendations upon which no action has been taken or in connection with which only slow progress has been made.

Item agreed to.

Item L30 agreed to.

The Chairman: This concludes the estimates affecting the Auditor General. The committee will now take up the revised estimates of the Treasury Board for the year 1968-69, to be found at page 544 of the blue book, details on page 546.

TREASURY BOARD

1. Departmental administration, including grants as detailed in the estimates, $5,131,400.

Mr. Drury: Mr. Chairman, I am pleased to have this opportunity to make a brief statement on the role and functions of the Treasury Board as a prelude to having its estimates considered in this committee.

I feel that the board's purpose and responsibilities and its influence on policy and the allocation of government resources are not as fully understood as those of other government departments. And yet the Treasury Board has been a vital and essential part of our structure of government since confederation, and its role as a central control agency of financial matters and as a policy co-ordinator has steadily grown in important over the years.

The board is a committee of the Privy Council established by statute, having certain delegated executive powers and responsibilities as outlined in the amendments to the Financial Administration Act of 1966. The need for such a federal body to act as co-ordinator and overseer of the financial affairs of government departments was recognized immediately at the beginning of confederation. It was first created by order in council of July 2, 1867. Two years later, however, with the passing of the Department of Finance Act of 1869 it was made a statutory committee of the Privy Council.

An important stage in the evolution of Treasury Board functions came as a result of the findings of the Royal Commission on Government Organization or the Glassco commission, as it became known. At this point I would like to repeat the tribute I paid earlier today to the late J. Grant Glassco, who made such a significant contribution to improved public administration. The commission felt that the needs of effective management fell into two general categories: first, those associated with the administration of departmental operations, and, second, those involved in the central direction and coordinations of government activities as a whole.

With respect to the central direction and coordination of government activity, the commission pointed out that the policies and programs of each department and agency must be balanced against and harmonized with those of other departments and agencies and that they must justify themselves in terms of their contribution to the general interests of the Canadian people. Thus the authority of each department must be subject to the overriding needs of the government for the general interests of Canadians.

• (4:10 p.m.)

The conclusions and recommendations of the Glassco commission were embodied in the Government Organization Act of 1966. The Treasury Board was established as a separate department of government under its own minister, the President of the Treasury Board.

The Financial Administration Act was also amended and it is from this revised act that the board now derives its current powers and responsibilities. These include financial management, expenditures control and general administrative and personnel policy in the public service.

The effect of the amended act was to establish the Treasury Board even more clearly than before as the agency of government chiefly responsible for formulating central management policy including the financial management functions of short and long range expenditure forecasting, program analysis, estimates preparation, supervision and control of expenditures, leases, contracts, and financial commitments.

Also for the first time responsibility for providing leadership and stimulus to improve management performance in the government service was explicitly vested in the board. However, possibly the most important widening in the duties and responsibilities of the board was in the field of personnel management. In part, as a result of being designated as the principal agent of the government in collective bargaining the board had assigned

to it, in addition to its previous duties relating to organization and establishment control, exclusive responsibility for classification, rates of pay and conditions of work, and for determining generally the policy governing personnel management in the public service.

At this point I would like to speak briefly on collective bargaining in the public service. This is a most important subject and I thought that hon. members would be interested in having a report on results to date.

In August, 1963, the government appointed the preparatory committee on collective bargaining in the public service. This committee was established to make preparations for the introduction of collective bargaining and arbitration in the public service, as well as to examine the need for reforms in the systems of classification and pay applying to public servants and prevailing rate employees. It was directed to consult with employee organizations and to make recommendations to the cabinet. The findings of this committee were presented to the government on July 2, 1965. The result of these efforts, the Public Service Staff Relations Act, received royal assent on February 23, 1967.

The legislation contains most of the conventional elements common to all labour relations statutes in Canada: the tripartite labour relations board, freedom of association, unfair labour practices, appropriate bargaining units, the principle of majority support, exclusive bargaining agents, and compulsory collective bargaining.

These are the more familiar elements. The act, however, contains a number of rather unique provisions which in a sense reflect the particular requirements of a national public service. One of the more unique features relates to dispute settlement. Unlike most labour relations statutes the Public Service Staff Relations Act provides two separate and distinct processes for the resolution of disputes arising out of the negotiation of collective agreements.

Disputed matters may be referred to binding arbitration by the Public Service Arbitration Tribunal established under the legislation, or they may be referred to an ad hoc conciliation board, constituted in the familiar fashion, for report and recommendations. The bargaining agent in effect has an option. The legislation, while conferring the right to strike in certain circumstances, contains provisions which are designed to protect the public against the disruption through strike action of those services which infringe directly on its safety and security.

The extension of collective bargaining rights to professionals departs from existing practice under most labour relations statutes. Another significant departure is the fact that supervisory employees under this legislation have also been granted bargaining rights. The provisions of the legislation in this regard reflect the fact that supervisory and professional employees in the public service have been members of employee organizations for many years and have traditionally been represented by such organization in discussions with the government relating to their terms and conditions of employment. Managers, of course, are excluded.

The legislation places certain restrictions on the subject matter of collective agreements. No collective agreement, for example, may include any provision that would require legislative action by parliament except for the purpose of appropriating moneys required for its implementation.

The rationale for these restrictions is that employees in the public service have long enjoyed certain benefits by parliamentary enactment, for example, pension benefits under the Public Service Superannuation Act and the principle of merit in appointment by virtue of successive civil service acts. By adopting these provisions parliament decided in effect that the rights to which employees were entitled in these areas should continue to be guaranteed by statute rather than by provisions of a collective agreement.

These limitations also apply in the case of arbitral awards rendered by the Public Service Arbitration Tribunal and reports and recommendations of the conciliation board. No arbitral award and no conciliation board report may therefore contain provisions requiring the enactment or amendment of legislation.

I believe that hon. members will be interested in hearing the results to date of operating under this legislation. Bargaining units have been determined and bargaining agents certified for the great majority of employees eligible for collective bargaining under the legislation. As of this date some 61 units have been determined; 22 in the operational category, nine in the technical category, 19 in the professional and scientific category, six in the administrative and foreign service category, and five in the administrative support category. These units embrace

approximately 175,000 employees, or somewhat more than 80 per cent of the total number of employees eligible for bargaining under the system.

As of today the first 19 agreements entered into under the legislation have received formal ratification. These agreements cover supervisory and non-supervisory employees in the following occupational groups: correctional, fire fighters, general labour and trades, hospital services, lightkeepers and stationary plant operations. They also include agreements entered into with respect to printing trades employees, dockyard employees at Halifax and Esquimalt, letter carriers, mail clerks, postmasters and assistants in the Post Office Department, air traffic controllers, and veterinarians. The number of employees covered by collective agreements at the present time is approximately 75,000.

I would now like to spend a little time discussing our financial administration system and the role and functions of Treasury Board within it.

The basic fundamental principles of this system are that no tax shall be imposed and no money spent without the authority of parliament and that expenditures shall be made only for the purposes authorized by parliament. Along with parliament, cabinet is, however, also an integral part of the functional decision-making process in that it determines the general magnitude of expenditures when it establishes policy in the various fields of government activity. While in practice ministers exercise their collective responsibility for policy in cabinet, most of the detailed supervision and co-ordination of expenditures is delegated to the Treasury Board. It has the important function of rationalizing the requirements of all departments and fitting them into the budgetary picture as a whole.

The administrative procedure which makes this process operative takes the form of two major budgetary submissions by the various departments each year. In May departments prepare and submit to Treasury Board forecasts of activities and expenditures for the next five year period. The Treasury Board analyses these proposals with the objective of the exercise being to allocate available resources among competing requirements of all departments.

On the basis of its analysis the Treasury Board then proposes to the government specific financial targets for each department for the next fiscal year. After departmental targets have been approved by the government and communicated to each department, work begins on the other annual submission, the main estimates for the next fiscal year. These detailed estimates will, in many cases, differ from the material submitted at the time of the program review to the extent that expenditure cuts have been made in the original proposals and departments have to re-allocate resources among their proposed programs. Treasury Board also reviews and analyses this submission. When the board is satisfied with the estimates, they are submitted to the cabinet for consideration. Once approved by cabinet they are recommended to the Governor General and then laid before the House of Commons.

[Mr. Drury.]

• (4:20 p.m.)

Today government is big business in every sense—in terms of employees, expenditures and the variety and complexity of its activities. It therefore demands from its central financial control and management agency more than administrative clearance of appropriations and expenditures and a routine scrutiny of management functions in the public service. Modern government requires from such an agency meaningful assessments of new and existing programs in terms of objectives and results and complete and understandable data on such programs so that the government is in the best possible position to make policy decisions.

The Treasury Board is, therefore, constantly striving to improve its performance as a central control agency through the introduction of modern management techniques. For example, the Treasury Board has developed and is now implementing a programming, planning, budgeting approach to resource allocation in the federal government. Program budgeting is concerned with the presentation of expenditure proposals in a way that will enable effective decisions to be made on the allocation of resources. The program budgeting system differs greatly from traditional forms of government budgeting in its concentration on the results and benefits as opposed to just a consideration of the resources required. In this regard, program budgeting should also assist hon. members in their scrutiny of government expenditure proposals. I hope to be given an opportunity at a later date to make a fuller statement on this important subject to the public accounts committee.

I hope I have been able to convey in these remarks the important role that Treasury Board plays in the machinery of government. It can be said that the Treasury Board acts as the employer, manager and innovator in an administrative sense for the government. These are not easy roles, and we are constantly striving to develop new ways to improve our performance and thereby increase the over-all effectiveness of government operations generally.

Mr. Chairman, I commend the estimates of the Treasury Board to the committee for its approval.

Mr. Stanfield: Mr. Chairman, I wish to thank the minister for his statement. I should like to ask a question or two and then perhaps he would not mind elaborating a bit on certain aspects of his statement. The minister indicated the initiation of a process of asking each department for a five year forecast and also for a preliminary indication of its estimates for the ensuing fiscal year. Could the minister elaborate a little in connection with the five year forecast which the Treasury Board receives? Would he give an indication of what use is made of this five year forecast at this stage of the proceedings by the Treasury Board? I have in mind the stage relating to the preparation of advice to the government as a whole with regard to a target for the ensuing fiscal year. First of all, without taking too much time, could the minister indicate whether the Treasury Board works on these five year forecasts on a continuing basis? Could he tell us to what extent the five year forecast is subjected to scrutiny or whether it is largely accepted at this stage exactly as given by the department? In other words, at this stage in the history of the government how sophisticated is this five year forecast? Is it a rough forecast made by the department or is it something that is subjected to a good deal of give and take by the officials of the Treasury Board and the department?

Mr. Drury: Mr. Chairman, the term "forecast" may be misleading in that it implies a certainty about the program which might not be justified. It is rather a system for projection of departmental proposals or plans. The object in putting it on a five year basis is to see with rather more accuracy than would be possible with merely a one year projection where the program is likely to lead, the timing of the achievement of the objectives and the scale of resources required over a five year period. I think the hon. gentleman, who has had some experience in the provincial government field, will be well aware that it is relatively cheap in terms of resources to get a new program launched but that it is only in subsequent years that it really gets into full scale operation and then the demand for accomplishment of a particular program in terms of total resources perhaps becomes unduly burdensome. It is for this reason a five year projection is required of departmental proposals and plans. The objective in seeking these, as I say, is to provide the government with a rather more accurate or a rather more realistic idea of the totality of what it is doing over a longer than one year period.

Mr. Stanfield: Thank you. I think, however, if one were to ask a department for a five year projection of its plans and proposals the upper limit would be almost infinity because we all know departmental officials and ministers always have many good ideas in mind provided the government is willing or able to back them financially. I presume the five year forecast distinguishes between projections involving merely plans or desires of a particular department and a five year extension of its existing programs. Does the Treasury Board attempt to make, in conjunction with the department, realistic five year projections in respect of existing programs as distinct from new programs or extensions of existing programs which the department would like to have?

Mr. Drury: Yes, Mr. Chairman. In so far as and to the extent to which it is possible we do try to secure the most accurate projections of costs over a five year period of programs to which the government is committed. One should say that any new ideas brought forward are also required to be projected on a five year basis so that we may determine how these fit in with the total of the existing projections and existing commitments.

Mr. Stanfield: Perhaps this is something which should not be pursued at this time, but I am not quite clear concerning just how much responsibility the Treasury Board assumes with regard to checking out the five year forecasts made by the departments in respect of their accuracy so that the Treasury Board in turn can give the government some assurance that the five year forecasts are realistic even with regard to existing programs. Perhaps this is something which

should be pursued in the standing committee rather than in the committee of the whole.

I should like to ask the minister another question. At what stage in any fiscal year does the Treasury Board request these preliminary estimates with regard to the ensuing year and the related five year forecasts? At what stage during the current fiscal year, for example, does the Treasury Board attempt to obtain approval from the government of a target toward which the estimates would be directed during their subsequent refinement?

• (4:30 p.m.)

Mr. Drury: In respect of the fiscal year beginning April 1, prospectively almost a year ahead, that is, in May, the departments are asked to produce a five year costed projection of their programs. These are checked by the Treasury Board and during the summer, following collation and examination of these programs, the government is invited to consider what will be the total figure of expenditures, having in mind some idea at that time of prospective revenue. They are asked to consider what might be the allocation of resources as between the various departments. Based on this decision taken in the summer, the departments are again invited to prepare detailed estimates covering these programs and these total amounts of money. The detailed submissions are then sent to the Treasury Board about this time of year, and prior to the end of the calendar year the government would recommend to the governor in council the detailed estimates which are published and deposited in this house in the printed form in January or February. Is that the timetable the hon. gentleman had in mind?

Mr. Stanfield: Yes. So when the Minister of Finance, for example, gave a forecast in his budget speech a couple of weeks ago in respect of the expenditures for the next fiscal year, the government would have already decided on or recommended the target from the Treasury Board, presumably presented by the Minister of Finance in his budget presentation? This would be the considered target adopted by the government as a policy, and the practice would be for the total of the subsequent estimates to be tailored to this target already adopted by the government?

Mr. Drury: That is true.

Mr. Stanfield: I should like to thank the minister through you, Mr. Chairman, for giving this further clarification. Let me say that I appreciate the general problems of co-ordinating government activities, financial controls and the workings of various departments in areas that sometimes overlap. The traditional structure of government departments makes this somewhat difficult. Having had a little experience in a much smaller operation I can well visualize the difficulties of achieving any adequate degree of co-ordination of departmental work in affairs of the bulk and size of the government of Canada, as they are today. It is my thought, therefore, that the work of the late Mr. Glassco must have been of great value to the government of Canada. I should like to associate myself with the minister in the tribute he paid to Mr. Glassco. Unfortunately I was unable to be in the house when he paid this tribute, but I should like to associate myself with his remarks and pay my own respects to the late Mr. Glassco for the work he did to assist the government in this very difficult field.

One of the problems, of course, is to obtain co-ordination without at the same time creating a bottleneck which has the effect of slowing down greatly the process of administration. I suspect that it must be a constant problem to prevent the Treasury Board from being just that bottleneck which would slow down the actual administration of government affairs.

I do not intend to say anything further this afternoon about the efficiency of the Treasury Board in the preparation of its estimates or its projections. The government perhaps would not be undeserving should the committee spend further time in this regard in view of the experience in the past year, and particularly in view of the overstatement made by the minister's predecessor regarding the sophistication of the Treasury Board in its projections. It was clear, at least at that time, there was still some room for improvement. We trust this is being accomplished.

Of course I am very unhappy, as are many Canadians, about the experience of the past year in respect of estimates. It would be difficult to speak too severely on this subject, but I have expressed my views and I will not take more time this afternoon except to express the hope that we will not suffer anything like the same sort of experience with the next set of estimates to come before the house.

The minister also said something about collective bargaining. This is a vast subject on which we could spend a great deal of time. There is a task force or a committee which it is hoped will report before the end of the

year on an important aspect of these programs. Therefore I do not propose to make any remarks at this time about the subject or the very difficult nature of essential public services and related subjects. I will content myself with waiting until we receive the report of the task force in this regard.

Finally, as I take my seat I simply wish to assure the minister that we will be watching with great anxiety and concern the unfolding of financial history in the next few months and during the next year.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, the President of the Treasury Board in his opening statement gave us a quick review of the various matters that come under the administration of the Treasury Board. It is not our intention to discuss all the aspects of this work during this review today, but two or three of us do have things we want to say about certain aspects of the work of this department. My leader, the hon. member for York South, will have something to say about the collective bargaining process, red circling and a few things like that. My seatmate on the other side, the hon. member for Vancouver East, has some matters he wants to raise as well.

• (4:40 p.m.)

I suspect that if I gave the minister just one guess as to what I am going to talk about he would hit it right on the nose. But before I give him the chance to hit it on the nose may I raise a question about the task force which the Leader of the Opposition asked about just before he sat down. I noted that the President of the Treasury Board nodded his assent that the task force was reviewing these matters. I did not know there was any task force reviewing collective bargaining in the civil service.

Mr. Drury: May I say, to clear up the difficulty, that the task force to which the Leader of the Opposition referred is the one under Professor Woods, of McGill University which is looking into the whole area of labour-management relations.

Mr. Knowles (Winnipeg North Centre): I am glad to have had that cleared up. I thought the reference was to the Woods task force which is dealing with collective bargaining generally, more in the private sector than in the public sector though of course in both areas.

One subject to which the minister did refer was, of course, the subject of the pensions of civil servants. The minister knew that that was what I would speak about this afternoon. He mentioned it in his survey, and if one looks down the items that come under the Treasury Board one sees, of course, that more than half the money that is spent by the Treasury Board is spent by way of government contributions to various funds that provide pensions for civil servants when they retire. If the President of the Treasury Board is rather surprised that I take him on as well as the others I have taken on with respect to this matter, I can only say to him that the way in which this issue has dragged on so long that one has to go from one government to another and from one minister to another in various governments annoys me as well.

During the course of the last parliament I started hammering away at this matter by making my representation to the then minister of finance. Certain adjustments were made, and it turned out that this matter came under the Treasury Board. So I made my representations to the then president of the Treasury Board who is now the Minister of Finance. In those days the then president of the Treasury Board and the then prime minister used to tell me how keen they were to do something about the pensions of retired civil servants, but they told me that the bottleneck was the minister of finance. Now the former president of the Treasury Board has become the Minister of Finance, and when I make representations to him I find quite a different attitude from the one he displayed when he was president of the Treasury Board.

So far in this session my questions have been directed either to the Prime Minister or to the Minister of Finance and they have accepted them as though the responsibility lay in that area, but here we are on the estimates of the Treasury Board and, lo and behold, the subject lies here as well. Nevertheless I look across at the President of the Treasury Board and I find him to be a very genial and co-operative kind of person. He has a broad and almost as winning a smile as that of the Prime Minister himself. I hope that at last we have a minister who will take a real and genuine personal interest in this subject and see it through.

Frequently when I have risen to say a few words on the question of pensions to retired civil servants I have started off by saying that I have gone over this subject so often that I need not go over it again in any detail. Well, I am going to change my tune today. There are over 100 new members in this House of Commons and many of them may

not be aware of the nature of the struggle that we have had over this issue. I still do not intend to go back over all the details of the last 20 years or more that I have been raising this as issue, but let me go back just a couple of years.

About two years ago when the whole question of the public service legislation having to do with collective bargaining, the integration of the various superannuation funds with the Canada Pension Plan and so on, was referred to a special joint committee consisting of members of the other place and of this house, I tried in that committee to get the question of the pensions of retired civil servants raised. I was soon told that that had not been referred to us and that we could deal with it in that committee only if we had a specific term of reference from the House of Commons itself. Therefore, back in the early part of 1966 I started pleading with the present Minister of Finance, who was then president of the Treasury Board, to ask the house to make that kind of reference to the special committee. His first response was to express his personal agreement but he said it would have to wait until we had disposed of the three other bills that we had before the committee. I settled for that.

Time went on. We got through those other bills and the present Minister of Finance kept his word. It took a little prodding to get him to do it, but he had the then government house leader bring in a motion to refer the question of the pensions of retired civil servants to that special joint committee on the public service of Canada. We became seized of this issue, therefore, in that special committee in the early part of 1967—I think in fact it was in the month of January—and we went at it thoroughly and exhaustively. We had before us many witnesses and many bodies representing retired civil servants. We also had representatives of the Department of Finance, the Treasury Board, the Department of Insurance, and various other sections and departments of the government. I think it is fair to say that we did a very thorough study of the whole question of whether parliament and the government should do something to increase the pensions of retired civil servants, and we agreed that increases had to be made.

May I back up for a moment and make the point that I do not think the government would have agreed to refer this matter to that special joint committee if it had not at that time intended to do something about it. Otherwise such action would have been a cruel hoax, and some of the people affected think that this is what it has turned out to be. But I think the government in good faith agreed to have this matter referred, knowing that if the committee came in with a positive recommendation the onus would be on the government to do something about it. That is precisely what happened. Our various committee sessions took place in the early part of 1967 until the month of May, and on May 8, 1967, we presented a report to parliament. It was presented to the other place and to this house, and that report was agreed to unanimously by members representing both houses of parliament and all parties in parliament.

I should also like to make the point that the present Solicitor General, who was then government house leader, co-operated by facilitating arrangements so that the committee could meet on the morning of May 8, 1967. That was an important gesture on his part. Parliament was going to prorogue that day and if that committee did not meet that morning to get its report finalized and presented to the house the committee would die with the prorogation of parliament and all our work would have gone down the drain. But the hon. member for Ottawa East, who was then chairman of the committee, and some of the rest of us prevailed on the then government house leader, the present Solicitor General, to afford us his co-operation, and he gave it. So we met on the morning of May 8, 1967, there having been a short recess just before that, and we finalized the report, had a unanimous vote on it and presented it to parliament that day.

The report is to be found in *Votes and Proceedings* for May 8, 1967, at pages 1778, 1779, and 1780. I should like to put on the record the key portions of this report which naturally are the committee's recommendations on the subject of doing something about the pensions of retired civil servants. I read the following from pages 1779 and 1780 of the *Votes and Proceedings* of that day:

> In the committee's view, the government should do what it reasonably can to protect and preserve, or failing that, to restore in some measure the original purchasing power of the contributory pensions which, under the Public Service Superannuation Act, and similar enactments, it has provided for its retired employees.
>
> With this consideration in mind, your committee recommends immediate action by the government,—

This was on the morning of May 8, 1967.

> —to update and extend the provisions of the Public Service Pension Adjustment Act (1959).

That, I may interpolate, was the one that was brought in during the days when the Conservatives were in power, the only occasion in history when there was some upward adjustment of the pensions of retired civil servants. Inadequate though it may have been, it set a precedent which I think should be followed. I continue reading:

This Act provided at the time of its passage limited and partial pension adjustments to meet a portion of the rise in post-war living costs. It covered only those beneficiaries who had retired prior to January 1, 1953: its benefits were available only to those below a pension ceiling of $3,000 ($1,500 for widows). Helpful though it was at the time of its passage, the Pension Adjustment Act of 1959 no longer meets the minimum justifiable requirement in the case of those former employees who retired prior to January 1, 1953; and it makes no provision whatever for employees who have retired since that date.

I interject again to point out that I am reading not from some speech that I made in the past of the hundreds that I have made on this issue but from the unanimous recommendation of a committee representing both houses of parliament and all parties that are here after very thorough discussion. I go on to read:

The Committee recommends that any plan to improve the position of these retired employees should conform to the following requirements:

(a) It should be capable of quick and early implementation in the form of legislation in the next session of this parliament;

I interject again to say that we passed that on the morning of May 8, 1967, knowing that that session of parliament was to prorogue that morning and that the next session of that parliament was to begin that afternoon. We requested that there be legislation in the session that was to begin that afternoon. I read further:

• (4:50 p.m.)

(b) Any adjustment in pensions should not be limited to a particular date of retirement and should be in addition to any other increase already granted under the Pension Adjustment Act of 1959;

(c) it should maintain the principle contained in the present legislation that benefits should be related to length of service;

(d) it should conform to the principle that any adjustment formula should take account also of the time which has elapsed since retirement;

(e) it should take into account the increase in living costs during that period of time; and

(f) it should increase the ceiling in the 1959 Pension Adjustment Act.

There is just one more paragraph which I should like to read as well:

The task of the committee was facilitated through the assistance rendered by the departmental representatives. In particular, your committee wishes to acknowledge the help received from Mr. H. D. Clark, director of pensions and social insurance division, Department of Finance.

Now, Mr. Chairman, I am absolutely certain that I am betraying no secret when I say that the hon. member for Ottawa East, who was chairman of that committee, believed just as completely as I believed that we were dealing with a government which was acting in good faith, and that that report, having been agreed to unanimously by all parties, would receive favourable consideration by the government in that session which began in the afternoon of May 8, 1967.

One of the things that has puzzled me in the years I have been around parliament, and I know the things one can do and the things one cannot do, is what to do with some of the things that are told to us personally by some of these people. Let me put it this way. The present Minister of Finance, who was then president of the treasury board, and the former prime minister Right Hon. Lester B. Pearson, both know what they told me in the months of May and June, 1967, about this legislation. They both know the dates they gave me as to when it would be brought into the house and passed. They both will remember how firm were their assurances. Of course, their problem was to get around the then minister of finance. Nevertheless, their statements to me were as firm as they could be; something was going to be done along the lines of this unanimous report.

May went by, June went by, and still nothing was done. It was not that the government of that day was not reminded of this situation. It was reminded by me as well as by other members, sometimes three or four times a week. We were told to wait, it will be done later. Then July 7 came along and there was a desire to adjourn for a summer recess. I took a rather strong stand. I took the view we should not leave this place until we had dealt with this matter, until this promised legislation had been brought down. I was made to look like a person who was defying the wishes of the members of parliament because I wanted to keep the house in session. I had to settle for a vote on an amendment in connection with this matter, which I lost. However, I was assured by ministers out in the hall and by backbenchers on the government side, that when we came back in the

fall of 1967 we would deal with the matter. How many times do these people have to settle for this kind of promise that is never fulfilled?

We came back in the fall of 1967. The record will show that this subject was raised every week. It was not allowed to be forgotten. The replies we received were: It is under consideration, it is under active consideration, it is under serious consideration, or, there is nothing to add to what has been said before. These were the answers we received until December 7, 1967, when the present Minister of Finance, then president of the treasury board, gave a list of cuts the government was making. This measure was listed as one of the things that could not be done at that time. Despite that fact, I continued the fight.

A week later, on December 13, I tried to marshal all the facts again. The former member for Carleton, Hon. Richard Bell, who used to be a good deal of help on this issue, tried his best to get the government to say yes or no. I confess I never tried to do that because I did not want the no. I believe some day we will get the yes. Even when the government was taunted to say yes or no and be clear, the government still would not say no but rather that the matter was under consideration, we are thinking about it, we are studying it. This was the sort of answer we received. I do not know how many of the people who would be affected by this measure have died during the intervening time, but the number must be great.

The discussion of this subject goes on and on because the government has led us down the garden path. The government let us have a committee, let us make recommendations, gave us this promise, but still all we get is, no. The other day the hon. member for South Western Nova, who represents a constituency of particular interest to me because my ancestral home is in that constituency, tried in a very direct way to get the minister to suggest that there would be some good news before Christmas. The Minister of Finance gave the answer, no. I thought I head some shouts of "Shame" and "Scrooge" on that occasion, but they do not seem to appear on the pages of *Hansard*.

I submit that the way the government has played with the hopes of these citizens, these former employees, is a sorry story. How many are there? Not enough, of course, to influence an election; they are not concentrated enough to do that. If you add together the number of retired civil servants and their widows, the retired personnel of the R.C.M.P. and their widows and the retired members of the armed forces who would come under this kind of pension, you may get up to around 60,000 or 75,000 people. They are scattered all over the country, in fact scattered all over the world. The fact is that they are former employees of the government. I submit we have a responsibility to them to be a good employer.

I know the various arguments that are used, even though they are not trotted out in public, against dealing with this matter. I know the main fear is that if the government moves in this field a precedent will be set that will annoy private business in some areas. May I tell the President of the Treasury Board that private business is beginning to deal with the matter. In the years I have been arguing for the government to act, a number of private companies have approved pension plans in which there are escalator clauses so that pensions go up after people retire. We have accepted the principle, at least very slightly, in the Canada Pension Plan and in the Old Age Security Act. There we have a 2 per cent limit, and it does take quite a long while for it to amount to anything and it never catches up with the rise in the cost of living.

• (5:00 p.m.)

In addition to all these factors of right and justice that I think are on the side of these people about whom I am speaking, I should like to say to this minister and to this government that I think this is one of the most serious issues facing us in the whole pension field. It used to be that not many people were on pension and not many people lived for very long after retirement. Thanks to medical science, longevity has increased. Thanks to all these transplanted hearts and everything else, a lot more people continue to live on pension, and as time passes more will do so, for 15, 20, 25 or 30 years.

Imagine anybody in any other sector of the economy being asked to live on the same level of income for a period of 30 years, Mr. Chairman, or for even for half that period! We have to face the fact that our pension program, if people are going to survive and our pensions not be placed in serious jeopardy, must have adequate escalation provisions. I suggest that the place to begin is right here with these our own employees, our retired federal civil servants.

The retired federal civil servants find it awfully hard to understand why it is they cannot be given a pension increase out of the money that is in the fund. At least, they think it is in the fund because they see the figures, though we know it is part of the consolidated revenue fund of the government of Canada. It is not away in some bank account or trust account where it can be drawn out; it is just so many figures on the books. However, Mr. Chairman, they do see these figures. I ask questions that are put on the order paper about these figures, and they are sent down to me. I send them out and so these people do see them.

It has been ascertained, Mr. Chairman, that even the interest that the government adds to the figures every year represents a greater amount than is being paid out by way of pensions. Therefore the fund grows all the time. I know there are actuarial problems connected with this, but the ordinary retired pensioner looking at the fund, knowing that the base of it is the money he and his fellow pensioners have put into the fund, and seeing the fund grow every year, is wondering why something cannot be done for him.

Some bodies, notably the Professional Institute of the Public Service of Canada and others who have joined with them, have suggested that a look be taken at the rate of interest that the government pays on this money. The rate, Mr. Chairman, is 4 per cent. Where can the government get money today at 4 per cent? It pays 6.75 per cent on money that is invested in Canada Savings Bonds; yet these people are asked to settle for a rate of 4 per cent. The Professional Institute has suggested that maybe it would not be out of line to raise this figure to 5 per cent.

My hon. friend from Saskatoon-Biggar rose in his seat today to raise a point about what he thought was a typographical error when he discovered that interest on farm loans had been raised from a rate of 5 per cent to 7¾. Yet the government still pays only 4 per cent on this fund. A small calculation will show that if the 4 per cent were raised to 5 per cent, the additional 1 per cent interest on the fund would provide enough money to pay an extra $50 or $60 a month to every recipient of a pension under the various acts—the Public Service Superannuation Act, the Canadian Forces Superannuation Act and the Royal Canadian Mounted Police Superannuation Act.

I am not, of course, suggesting that an increase be a flat across the board increase like that. I think that those in the lower brackets need it more than those in the higher brackets, though I was delighted that in our committee report of May 8, 1967 no line was drawn. The committee recognized the fact that there are today many people whose pensions are of an amount that sounded substantial when they retired five or ten years ago, but who discover that even for them costs have gone up, that living standards in the milieu in which they live have risen to the point where they are out of the swim because of what has happened to the purchasing power and value of their pensions.

I am suggesting, Mr. Chairman, that that is what the government should do. If that is not the way to do it then there are other ways. Nevertheless I plead that the government has no right to refuse to act on this question simply because it does not agree with the way that I suggest or with the way that some public service body suggests. What is really behind all of this is the good word and good faith of the government itself.

I know that if one reads through *Hansard* the scores, even hundreds, of times when this matter has been discussed one will not find anywhere a minister rising to his feet to tell the house, so that it is printed in *Hansard*, that "this action will be taken next month or this year". However, I submit the statements made mean that, and that the reference of this matter to the committee in 1967 was an act that implied that something would be done. In this regard I remind the Minister of Finance, as I reminded the former prime minister outside the house—he is not here at the moment—of his statements about this matter. I submit that the government is being unfair both to these people and to parliament in letting this issue stall any longer.

I have had occasion, Mr. Chairman, to refer to a suggestion made by the Professional Institute of the Public Service of Canada. I should also like to say how much I feel credit should be given to the Public Service Alliance of Canada for its interest in this matter. After all, that is an organization of employees who are now at work in the public service, and it could be pardoned if it concentrated all its efforts on improving the conditions of those who are presently at work. Nevertheless the Alliance is likewise concerned for those who have retired, and in this regard has made some excellent statements and presented some excellent briefs to the government. I pay my tribute to the work the Alliance has done on this matter.

Of course, Mr. Chairman, the Alliance gets the same treatment from the government that we get on the floor of this thouse. The answer is: "There is no money. We cannot afford it now. We cannot do it this year; we will put it off until next year." The same answer is given to the federal superannuates national association, which comes down to Ottawa and presents a brief. The matter is put off and off.

Unless we act on this issue as a matter of principle, Mr. Chairman, then some day it is going to come home to haunt us in a pension structure that will be placed in jeopardy because its value will not sustain people through their years of retirement. I want to see the principle extended to all pensions, but surely the place to start is with our own pensioners.

I also deplore as strongly as I can the way in which this question has been put off across the months and across the years. The very latest that action should have been taken on this matter was within a month or six weeks following the tabling of the report of May 8, 1967. The matter should have been acted on in the month of June, 1967, and I was told that it would be. Here we are in 1968. Since June, 1967, we have had a session or two of parliament. There has been an election and a change in government, but still nothing gets done.

I do not know whether there is any hope that the present Prime Minister will be as interested in this question as was the last prime minister. I do not really know what the present Minister of Finance thinks about the matter now, though I know what he thought about it in the last session of the previous parliament. As I say, I believe the President of the Treasury Board has human instincts and that he has a heart. I believe that he is interested in this matter and I hope he will see that someting is done about this issue without further delay.

• (5:10 p.m.)

[*Translation*]

Mr. Caouette: Mr. Chairman, I fully agree with the member for Winnipeg North Centre (Mr. Knowles), that the retired public servants receive too small a pension, as recognized by the parliamentary committee which looked into the situation. To my mind, the government should have reached a decision last year, or even earlier, with regard to the public service.

The member for Winnipeg North Centre said that they do not live very long after retiring. Small wonder, with the small pensions they receive, they cannot live very long. That is why we agree with the member when he asks for an increase in those pensions.

We know, for instance, that the pensioners outside Canada who receive an old age pension or allowance, in China, in India, or in Europe, have a cost of living bonus in addition to their pension or allowance, although the cost of living is not as high in those countries as it is here; yet they receive the same pension as retired Canadians.

Taking into account the high cost of living here and the low pension, it is clear—the minister must realize this—that those people cannot survive. The minister and the government may say that this is a financial question, that they do not have the money required. It is always the same story, the same reason: there is no money.

Along the same line of thought, when we ask, for instance, a 7 per cent bonus for bilingual employees of the Canadian parliament, we are told that the decision is incumbent on the Speaker, the Treasury Board, the Minister of Finance (Mr. Benson), and nothing is done.

Are the employees of the House of Commons considered as extraterritorial employees, external employees, employees of the administration of Canada? A bonus of 7 per cent is paid to bilingual public servants in various Canadian departments; but with regard to the House of Commons, they are no longer federal employees, it seems, because they do not get that 7 per cent bonus which is paid to bilingual civil servants under the law.

We have guides at the main entrance and on every floor of the main parliament buildings. We have secretaries, pages, a whole array of house employees to whom the 7 per cent bonus is denied. Why? Because, we are told, there is no money. As the Treasury Board is the one to decide whether or not additional amounts are to be paid to help various groups of society or employees—and with greater reason federal employees—I say that the Treasury Board is responsible for such a situation. For instance, useful works are refused or delayed, because there is no money while useless works are willingly carried out in many fields and they find the required money.

Parliament is asked to place restrictions on credit but have the Treasury Board and its president considered the fact that this year, the government will pay, in interests only, $1.5 billion on the national debt, namely an

increase of about $200 or $300 million over last year. Yet, the President of the Treasury Board (Mr. Drury) does not find anything abnormal about that. The Department of Public Works, post office employees, the Post Office Department and all government departments are asked to reduce their expenditures but they do nothing to affect the interest on the national debt. The debt is increasing at top speed year after year and the President of the Treasury Board does not object to the annual increase of interest on the national debt, which is imputable to a few financiers and not to the Canadian people.

Mr. Chairman, I said a while ago that useful works are rejected and insignificant ones approved in many cases.

We asked—and the Treasury Board is always the one that decides—that retaining walls be built along lake Témiscamingue in my region, in my riding. The projects are before the Treasury Board but it says that it has no money. The airport—not the air terminal but the airport—should be renovated but we are told that the funds are lacking. There is no money either for building post offices and again the Treasury Board makes the decisions.

I noticed also that in the field of public works more generosity is shown—according to the Treasury Board again—towards some other Canadian provinces than towards the province of Quebec. That is why complaints from our province are heard, not because public works are carried out in the other provinces, but because not enough are carried out in Quebec.

However, a department sometimes agrees to repairs being made or awards contracts; then delays occur and the Treasury Board refuses to pay according to the recommendation made by the department. I would like to give you an example at this stage.

Approximately two years ago, a contract for electricity and electronic facilities was awarded to a Mr. Paul Gingras, of Bourlamaque, in connection with repairs to the radar station which used to be located in Senneterre. When his tender was accepted, Mr. Gingras agreed to complete the work within 180 days, and also to resort to the services of a certain D. R. Beattie, 1260 Lakeshore Road, Port Credit, Ontario.

Mr. Beattie was supposed to supply the shielding in order to have the contract completed within 180 days. As it took Mr. Beattie exactly 7 months to supply the necessary material for completing the work at Senneterre, that was a source of embarrassment to Mr. Gingras who made representations to the Department of National Defence to have an adjustment made. He was granted $23,000 to compensate for the damage caused by Mr. Beattie.

• (5:20 p.m.)

Mr. Gingras wrote to Mr. Beattie who did not bother to reply. The Department of National Defence finally granted Mr. Gingras $23,000. However, this recommendation by the department was rejected by Treasury Board. For this reason, my colleague for Villeneuve (Mr. Tétrault) wrote recently to the Minister of National Defence as follows:

> I wish to refer to the conflict that has existed for a year between Mr. Paul Gingras, a contractor of Bourlamaque, Quebec, and Mr. D. R. Beattie, of Port Credit, Ontario, also involving Defence Construction (1951) Ltd. concerning the above named project—
>
> Reference to this project is as follows: "BUIC III—Senneterre, Que.—File No. S-87-1".
>
> Who was responsible for drawing up plans for the shielding enclosure concerning this project as specified by D. R. Beattie Ltd?
>
> On what basis did this official establish that this project could be terminated within 180 days after submission of tenders?
>
> Also, I should like to obtain a copy of the correspondence exchanged between D. R. Beattie, 1260 Lakeshore Road, Port Credit, Ontario and the D.N.D. concerning this project.
>
> We would be happy to give you any additional information you might require.
>
> Therefore, I am counting on your full co-operation in order to settle this matter as soon as possible.

This matter was dropped on for over a year. Mr. Gingras spends money, comes to Ottawa, meets officials of the Treasury Board and the Department of National Defence, and the officials agree, but Treasury Board refuses. The minister should perhaps get to the bottom of the matter and see to it that Mr. Gingras is not penalized because a friend of the government was mentioned by name in the contract for some work to be undertaken in Senneterre. If Mr. Beattie is unable to fulfil his obligations, the government should refrain from recommending him to contractors who must perform works such as those at Senneterre.

Mr. Chairman, that is an example. We have some more, but in such a case, why does Treasury Board not consider objectively the recommendations of a responsible department such as the Department of National Defence?

Mr. Chairman, we would then be led to believe that there is some political partisanship, even if the minister maintains the contrary, within Treasury Board. We are somewhat sceptical, especially when we are told that Treasury Board acts in the best interests of the Canadian people. The function of the board is to control expenses, according to our fiscal system. When taxes have been collected, it decides if such or such a department may obtain or spend such or such an amount. It makes slight increases in a certain area and slight reductions elsewhere. We are fumbling with that system. Why? Because the government which is responsible for that situation wants to stick to it. In my opinion, the so-called sovereign government is a slavish government which refuses to take decisions without the authorization of the financial system. In addition, the execution of works is delayed. While 300,000 or 400,000 Canadians are unemployed and ready to work, the government chooses to pay them unemployment insurance benefits rather than give them work to create something in our country.

This is the procedure which has been chosen. Who is controlling that system? Some experts and economists. I do not know what kind of economists or experts advise the government but, in any case, we are subjected to a strange system which enables a few financiers to grow richer, while the majority of small taxpayers are getting poorer. That is exactly our situation at the present time.

Expenditures should be controlled instead of adjusting the financial system or our opportunities of developing the country. Attempts are being made to adjust the development of the country to the requirements of a financial system which is totally obsolete. In fact, this is the only thing they do not want to reform.

We hear every minister speaks about reform, in the field of education, farming, labour conditions, public service, reform in that field and in this field, however when it comes to the solution which would reform the financial system, it must be left alone. We must stop there because we do not even have the right to argue.

The Prime Minister of a sovereign country like Canada says: We have only the money that the people are willing to let us administer.

Mr. Chairman, it seems to me that the easiest thing to do in Canada is to regulate credit and to put it at the disposal of the Treasury Board.

[Mr. Caouette.]

Making cement, bricks, lumber to create or build something, that is difficult, that takes a lot of hard work. Building a road, a bridge or a school, enlarging a hospital, that is difficult. But the matter of credit, that is easy. With pen and ink to write the figures according to the possibilities to build things in Canada, that is financial stability.

The Treasury Board is caught in a system which sees nothing else but the possibility of the government to levy and administer taxes, to distribute what they yield to the public and the various departments after paying the administration costs. This is exactly the situation with which we are confronted and the honourable ministers know the problem. The ministers and the President of the Treasury Board are perfectly aware of the situation. They know that our natural resources are still at the development stage, in fact some have never been tapped. Universities prepare technicians because we need technicians, engineers and so on. Once they have left university, these boys who could create something, work in assembly plants in Montreal. Engineers who graduated in May or June last year, earn $5,500 to $5,700 a year on car assembly lines in St. Therese de Blainville. Then we get upset, we get excited, and we ask ourselves: How is it that students protest and rebel against the present state of affairs? Sunday afternoon, I watched Father Pierre on television in Montreal. It was incredible to hear him giving the reasons why youngsters today are revolting against the order of things.

People talk about peace, just society, justice and stability. True, but what kind of peace? The peace of those who are considered as the establishment and whom are not to be disturbed, because they feel comfortable. It is in such a peace that we are working today.

Youngsters cannot see how they will be able to identify themselves within such a society when they get out of university. This is the opposite of what we used to see 20 years ago when a student leaving university could find a job immediately. Today, it is not the same thing. Public works are no longer undertaken for financial reasons; rather, the young are left in a state of anxiety about the next day, they cannot even merge into society. Then, they will be accused of being rebels or revolutionaries.

Mr. Chairman, I think it is time that we reassess our social, economic and monetary philosophy in Canada. If one examines a little all the problems for which the President of

the Treasury Board is responsible, if one probes into them a little bit, one realizes that they are all financial problems. To the Department of National Health and Welfare, for instance, one asks today a pension of $125 a month for the elderly. The government cannot grant it because it has no money.

The President of the Treasury Board does not ask himself whether Canada can produce enough to pay the old people $125 monthly. One does not ask whether Canada can produce enough goods and services to help our young people in the just society that is talked about. Those things are not discussed, Mr. Chairman.

• (5:30 p.m.)

We are put in the strait jacket of a terrible financial system. We are not doing anything to get out of it; we knuckle down under the demands of this system. Then, we go to the people and say: We, the government—whether or not it is a majority government does not matter—decide, with the permission of another government that lies behind us, parliament.

Mr. Chairman, the Treasury Board is responsible for sums earmarked for one department rather than another, as I said earlier. Everything goes through the Treasury Board. It is the mechanism that enables the government to do something or to do nothing. Again, I say discussions are taking place with the provinces. There will be more next week or in two weeks, at the ministers of finance level, with respect to federal-provincial relations. The provincial representatives came here recently and the minister took part in the discussions.

The Treasury Board is very important. More money is required. The following week, the Right Hon. Prime Minister (Mr. Trudeau) decides to make an official statement to the effect that from now on the provinces will have to take their own responsibilities and bear the odium of taxation to get and administer revenues in their territory.

But, the monetary aspect, the financial question itself—not the fiscal question—comes under the jurisdiction of Ottawa. The Right Hon. Prime Minister wants the provinces to take their responsibilities although the government of Canada is not even able, indeed not even prepared to shoulder its own. Therefore, the provincial premiers go back home saying: Ottawa is unco-operative, the hon. Minister of Finance, the President of the Treasury Board say to us: Nothing can be done for the provinces.

However, nothing prevents them, for example, from increasing the 2 per cent income tax across the country. After taxing the people, the government says: We need this money in Ottawa; do not expect to get any of it. If you need money, levy your own taxes. That is not a solution. Mr. Chairman.

The Deputy Chairman: Order. I am sorry to interrupt the hon. member, but the time allocated to him has now expired.

Mr. Caouette: Mr. Chairman, I rise on a point of order. Did I not begin my remarks at 5:10?

The Deputy Chairman: I am sorry, it is my mistake. The hon. member still has ten minutes.

Mr. Caouette: Thank you, Mr. Chairman.

I said earlier that it was easier to create credit in proportion to the goods and services which the Canadian people want to provide by using their intelligence, their hands and their physical possibilities, but the hon. ministers have not yet understood.

In the provinces, in Quebec as in the others, the situation is not understood much better. As I said earlier, everyone goes home and is ready to come back two months later to discuss all over again the same problem of taxation. There are no arguments concerning the problem of the distribution of wealth among the Canadian people. No. The arguments concern the right of taxing the Canadian people. Quebec says: it is my right. Ottawa says: the matter does not come within your jurisdiction but ours. There are endless arguments about this. Meanwhile, neither the provincial governments nor the federal government are suggesting any solution but that of continuing to tax the people. We never tell anyone that whoever controls money and credit is the master of all our lives, the life of the government, the individuals, the families, society in general, and that without his permission, no one can even breathe.

This is the whole problem, Mr. Chairman. Even if we were to pass—as we are going to do anyway—the estimates of the Treasury Board, even if we were to listen to the right hon. Prime Minister or any other minister tell us how much the government is prepared to spend in order to help the Canadian people, not one of them wants to take the necessary means to do it. When we consider that our national output will reach this year $68 billion in goods and services and that

the total income of the Canadian people, the salary of the minister included, will amount to $48 billion, we fail to see how there can be a gap of $20 billion in production which cannot be disposed of without the creation of a new purchasing power, because those amounts do not exist. If we talk about creating the difference, immediately we are called inflationists.

Mr. Chairman, we hear the right hon. Prime Minister, the Minister of Finance and the President of the Treasury Board tell us that the only way to improve the situation in Canada is to increase productivity. We are told to increase our productivity by 6 percent, but we are warned against salary increases in excess of 6 percent, which would put us in a position to buy the excess of production.

However, a simple mathematical operation shows us that if we produce $70 billion in products and services, and if our production increases by 6 percent during the course of the year, the increase will be $4,200 million. If our national income reaches $50 billion and if we cannot increase it above our productivity, i.e. 6 percent, the increase has to be $3 billion. Then, let us allow salary increases of $3 billion, so that the population will buy the production increase of $4,200 million; there will still remain a gap of $1,200 million. The government does not understand that. There still are ministers who do not know that 2 and 2 make 4; they want it to make 5. From a mathematical point of view, they are way off.

Others cry out: Fine, but where are the $20 billion? In towns and cities, store shelves overflow with products to the extent where no one knows what to do with the goods. There is a lack of purchasing power, and instead of increasing it, the government levies taxes, claiming that by so doing it checks inflation.

Smarter solutions than that could be proposed by the inmates of the Montreal mental hospital. Increase or decrease inflation, avoid the dangers of inflation by reducing the purchasing power of its people. How bright that is. Everyone is being crowded to the brink of bankruptcy. Merchants and consumers see their purchasing power reduced and they are told: Put up with it because it checks inflation. All the while, the purchasing power should be increased as well as the national revenue. They cannot be increased merely by raising the salaries which contribute to higher prices. That is not true. The only way to increase the national revenue, considering the current level of prices, is to use the Bank of Canada to distribute to the Canadian people —to each and everyone of them—a national dividend based on the surplus production in Canada. That is the solution; there is no other.

Some hon. Members: Hear, hear.

Mr. Caouette: The national dividend is laughed at, but when an increase in the pensions is asked for, no one laughs; it is considered logical. Increase the pensions of the former public servants; with that we agree, no one fears inflation. But there would be danger of inflation if a dividend were distributed to the whole population.

Mr. Chairman, in closing my remarks, I would say this to the minister: if he has no solution to suggest, it is time for him to come with me on television, every week, to teach Social Credit to the people, so that we can be rid of an irresponsible government and appoint in its stead one capable of assuming its responsibilities.

Some hon. Members: Hear, hear.

[*English*]

Mr. Winch: Mr. Chairman, I know that before six o'clock I can raise and expatiate on the matters that I want to draw to the attention of the President of the Treasury Board. I also know it is a damn sight more important for the President of the Treasury Board to be speaking to his friend across the aisle, but I would like to hold the floor without speaking and without losing any time until the President of the Treasury Board is prepared to listen to what a member on this side of the house wants to draw to his attention. I have now got his attention. I think, Mr. Chairman, it is very important that when members on this side of the house raise matters they should have the attention of the minister in charge.

• (5:40 p.m.)

Through you, Mr. Chairman, I want to draw what I consider a most serious matter to the attention of the minister. I know I do not have authority to speak on behalf of the some 160,000 employees of the federal government, but I do think I have the right to draw to the attention of the President of the Treasury Board some aspects of a matter concerning some 160,000 employees of whom 102,000 are in the armed forces. In the last year or two changes have been made in negotiation

procedures and regulations and in respect of authority when dealing with management on matters affecting wages and conditions of employment of those within the civil service. However, in the legislation governing negotiations between the government and its employees there is a section which says that once a contract between the government and its employees is signed or an agreement is reached the government of Canada does not have to accede to it for 60 days but at the end of the 60 days must pay the increase and any retroactive payments.

It is a fact that in the last few weeks a number of contracts have been signed. I only know through reading the press how this affects the armed service personnel. However, if my analysis is correct, and I think it is, as a result of arrangements made in respect of armed service personnel and the other contractal agreements made by the government with its civil service employees there are now over 150,000 persons who are entitled to increases in wages. I would like to know from the President of the Treasury Board whether this provision in respect of the 60 days is to be put into effect before these increases are paid. If this is the case, then the 102,000 members of the armed forces and not less than 60,000 others in the civil service will not receive their retroactive pay until after January 1.

As I understand the legislation in respect of the social development tax, no exemption is to be made in respect of money received in 1969 that was earned in 1968. There was nothing in the speech of the Minister of Finance or in the legislation that would permit payments made in 1969 on moneys earned in 1968 to be exempt from that surcharge. I personally know of three agreements that have been signed by the government with its staff. I also know, although only by press reports, of an increase for the armed forces. I receive letters every day asking whether the government is going to hold to that 60 day provision before the money is paid and whether it will not be paid until after January 1 of next year. I know that many members of the House of Commons have received similar letters.

I raise this matter now in respect of the three contracts which I know have been signed and the increase which I know has been agreed to for the armed forces. I ask the minister whether this money will be paid before December 31 or whether it is to be held until after January 1 when the 2 per cent surcharge will be collectible from the personnel of the armed forces and civil servants on money they earned in 1968. A question on this matter was asked of the Minister of Finance last Friday, I believe. The minister would not give an answer. Will the President of the Treasury Board now get up on his feet and say what the situation is and what he will authorize? I ask him not to be a stinker and charge civil servants next year on money they earned this year.

Mr. Lewis: Mr. Chairman, I do not know whether the President of the Treasury Board will agree not to be a stinker. I am not asking him for any commitment which he may not be able to keep.

I should like to spend the few minutes until six o'clock raising two matters related to collective bargaining concerning which the Treasury Board has the responsibility of representing the employer in the public service. I wish to say first of all, as we said at the time when the relevant bills which later became law were before this chamber, that we are delighted that collective bargaining in the public service has finally been introduced. We are delighted with some of the progress which has been made in respect of the certification of bargaining units. I would say, however, that we were disappointed at the incredibly bad way in which the Treasury Board approached actual negotiations, of which the negotiations with the postal unions were perhaps the most striking example.

Having had some years of experience in negotiations I have not known anything more reprehensible on the part of an employer than the refusal for a period of months to make any monetary offer to the other side. When one sits down to negotiate in private industry, even if the demands of the union are considered outrageous by the employer, no objective employer refuses to make an offer on monetary matters for a period of months. If he did so, the employer would be called a stinker and a good many other applicable and relevant names.

This is exactly what happened in the case of the negotiations with the postal employees. My information is that this has happened during other negotiations although not over as protracted a period as in the case of the postal employees. The period has been long enough, however, that the public service organizations concerned are becoming terribly upset about the situation.

There is another item in this regard about which I should like to protest. Anyone who looks at this objectively ought to protest no matter on which side of the house he sits. During negotiations with one section of the public service—I forget exactly which one but I believe it had relation to seaway employees; this was during the election campaign—the President of the Treasury Board and the Prime Minister on separate occasions made public declarations that in their view the 6 per cent which was recommended by one of the conciliators or the conciliation board itself was a proper and fair settlement. What that means is that the head or the employer, being the Prime Minister, said to the board concerned in respect of negotiations that this was the limit beyond which it could not go. When the government is the employer and it does that in the course of negotiations it is really subverting the negotiation process. It is actually destroying any meaningful collective bargaining. What is the use of a public servants' organization asking for more if the Prime Minister and the President of the Treasury Board lay down a declaration that it cannot be any more?

• (5:50 p.m.)

This kind of behaviour in respect of the postal service employees and in respect of the employees of the seaway authority, to which I have just referred, makes a mockery of the collective bargaining process and underlines what some of us said during the hearings of the joint committee. It was said, particularly by my friend the hon. member for Winnipeg North Centre and myself, that the government was not really prepared to accept the implications of genuine collective bargaining because the government was still going to act as it did before the collective bargaining was introduced, as an authority making unilateral decisions. That is what is meant when the head of the government declares that a certain level of wage increase is fair and adequate. That lays down the law and the people who are concerned in negotiations cannot go any farther.

It is my hope that during the remaining negotiations and any future negotiations this attitude on the part of the government will not show itself and that the negotiators at the negotiating table will not be subject to these open declarations. They will, no doubt, have instructions from the President of the Treasury Board and from the cabinet, which is perfectly legitimate. They are the employers. If Doug Love negotiates on behalf of the Treasury Board, the employer, he will naturally have instructions from those to whom he is responsible, as is the case in respect of any other negotiations, but a public declaration by the Prime Minister makes it impossible for any negotiations to take place. Let Mr. Love present the arguments as to why it is unjust, unfair, undesirable, improper, uneconomical, dangerous, or whatever else he wants to say, to go beyond a certain point. That is legitimate collective bargaining. He will have his instructions from the Treasury Board.

The President of the Treasury Board and the Prime Minister should not come out on the public platform and say the government will not go beyond such and such a point, because collective bargaining is not real unless the people on both sides of the table feel they have the opportunity to present their reasons and have a genuine exchange of ideas with some give and take. The collective bargaining process becomes impossible when you lay down the law away from the collective bargaining table. There is no need for this. I suggest it is merely an expression of authoritarianism that has no place in collective bargaining.

The other matter I want to raise, which is equally disturbing, if not more so, is that during the joint committee sessions on various bills relative to the status of public servants and the collective bargaining process it was pointed out—I remember doing so on several occasions—that when the law excludes from the collective bargaining area such fields as classification, promotion, demotion, job descriptions, job evaluations and all the rest, it takes away from the public service an immensely important area for collective bargaining. The fact that we were right has since been proven in a number of cases.

Some time before the collective bargaining process became law the Treasury Board engaged in a reclassification of the public service. This has been going on throughout the piece until today. A good many employees of the government have been reclassified and literally thousands have been red-circled. This means they have been told they now have a new classification lower than the classification which they formerly held at a salary rate higher than the salary rate of the new classification. Therefore they are frozen at their present salary rates and are not entitled to the increases which their organizations have now negotiated or are now negotiating. They will remain frozen until such time as

the salary for the lower classification is increased to the salary they now receive in the higher classification.

I have had numerous letters, telegrams and personal conversations which indicated that literally thousands of civil servants have not received any of these increases and, in some cases, were even refused increases that went back to a date before they were reclassified. This is really reprehensible. I do not know whether hon. members and the President of the Treasury Board understand me. Perhaps I did not make myself clear. If reclassification or red-circling took place in October of 1968, let us say, this was made retroactive to October 1, 1967, so that the people concerned did not even get the increase applicable to their classification for the year.

The Deputy Chairman: Order, please. It being six o'clock shall I rise, report certain resolutions and request leave to sit again later this day?

Resolutions adopted in committee of supply this day reported and concurred in.

[*Translation*]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Béchard): It is my duty pursuant to provisional order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: the honourable member for Bellechasse (Mr. Lambert)—Public Works—Montmagny, Que.—drainage basin requested; the honourable member for Winnipeg North Centre (Mr. Knowles)—Public Service—study of the report on the retired civil servants pensions; the honourable member for Gander-Twillingate (Mr. Lundrigan)—Rural Development—centralization of population in Atlantic region.

It being six o'clock, the house will now proceed to consideration of the private members' business as listed on today's order paper, namely notices of motions.

[*English*]

• (6:00 p.m.)

INCOME TAX

SUGGESTED DEDUCTION OF RESIDENTIAL TAXES AND RENTS

Mr. Stanley Haidasz (Parkdale) moved:

That, in the opinion of this house, the government should give consideration to the feasibility of allowing residential taxes on owner-occupied homes and rental of accommodation of tenants to be deductible from federal personal income tax.

He said: Mr. Speaker, I welcome this opportunity to introduce a motion designed to come to the relief of the overburdened Canadian taxpayer. The motion which you have read I would like to read again. It reads as follows:

That, in the opinion of this house, the government should give consideration to the feasibility of allowing residential taxes on owner-occupied homes and rental of accommodation of tenants to be deductible from federal personal income tax.

I should like to say that I fully endorse the declaration of the Prime Minister (Mr. Trudeau) that the government of Canada should create a just society for all Canadians. This is the basic principle underlying my motion.

The purpose of my motion is to bring once again to the attention of the government, and especially to the attention of the Minister of Finance (Mr. Benson), the urgent need to ease the great burden of the Canadian taxpayer who is not only heavily taxed but in some cases is the victim of double taxation. It is my opinion, which I believe may be shared by all hon. members and by many fellow citizens, that both the home owners as well as tenants in rooming houses and apartments deserve fairer consideration by the Minister of Finance.

The present taxation system has been called in some quarters a flagrant case of double taxation in that the federal personal income tax is a tax on municipal taxes as well as on personal income. The United States recognizes the inequity of such a practice and therefore has introduced a law which permits home owners to deduct municipal taxes from income for federal income tax purposes. It even goes much farther. It allows payments on mortgages on homes of citizens also to be considered an exemption for income tax purposes.

During the past few years many representations have been made to the federal government, to the Carter Royal Commission on Taxation and very recently to the federal task force on housing and urban development headed by the Minister of Transport (Mr. Hellyer), urging the government to adopt a similar practice. Repeatedly over the past several years, the Canadian Federation of Mayors and Municipalities has also appealed in its submissions to the federal and provincial governments recommending the deduction of municipal taxes from personal income

tax and even the deduction of home mortgage interest payments.

In the manoeuvring to give Canadians a new tax system it is obvious that there is growing concern and dissatisfaction among the people of Canada at the fact that the problem of municipal taxation is not being given the attention it properly deserves. I believe it is imperative that the Minister of Finance along with his provincial counterparts give this serious matter deeper study and favourable consideration.

House and home stand at the centre of people's lives. Proper shelter means security. It also means independence and privacy. These are the things which we need in our daily life. I believe it is also time to insist that the social aspects of housing be among the determinants of economic policy in our country instead of always being its unfortunate victim. In the present condition of our economy the ownership of a private home is a heavy financial burden for the ordinary Canadian wage earner. After paying an average of $26,000 to $28,000 for a home in a city like Toronto and after paying all kinds of provincial and federal taxes, our citizens are additionally burdened with an ever-increasing municipal tax year after year.

I would also like to appeal to the Minister of Finance to take into account the burdens of the municipal authorities. They are an essential part of our system of government, and I believe it is only fair that they should be given a fairer deal. Canadian municipal authorities find themselves forced to expand their public utility activities. Expenditures on education, transportation, health services, and social welfare have steadily increased. This investment in human resources is a great burden both on the property owner and the people who live in apartment houses and have to pay very high rents. Many Canadian citizens are asking themselves to what extent they should, through municipal taxation, continue to finance education, health services, social welfare services, police and fire protection, and other kinds of services. These benefits which are provided by our municipal authorities are not only shared by local residents but also by government institutions. Therefore it is quite appropriate, I believe, that these expenditures should be financed partly, if not as much as possible, by both the federal and the provincial governments.

• (6:10 p.m.)

We have heard many times, and especially recently we have read in the newspapers, about the number of briefs that are being presented to the federal task force on housing and urban development to the effect that the housing shortage is not only acute in Canada but also a crisis. I believe that to meet this crisis the federal government, and especially the Minister of Finance, should give assistance to home owners and potential home owners. I realize that any effort to curb taxes, to protect the soundness of the dollar from inflation, is important. Inflation has eroded the security of many of our people who depend upon a fixed income. The heavy load placed upon most property taxpayers produces some very unhappy results. Older people with limited retirement incomes are left to exist on small pensions, and many of them are greatly harmed. They denied themselves in earlier years many things in order to pay off mortgaged homes. Now they find themselves faced with ever heavier municipal taxes year after year.

We have been told that older people would be better off in apartments, but many of them have no choice and no chance to move out of their own homes. They have to stay there. They have to cope with the problems of maintenance, and also, they face a rise in taxes whenever they make substantial improvements. Tenants in apartment houses also face increases in rents whenever municipal taxes rise. As municipal taxes go up, costs of maintenance soar and the tenants in apartment houses are forced to pay higher rents.

I realize that it is not an easy task to work out techniques that will give municipalities more revenues without raising property taxes. However, this is an objective which demands an effort by the responsible ministers of our federal government and especially by their senior advisers. I realize also that taxation should be on a basis that is equitable for all. I understand, too, the concern of the royal commission on taxation when it states that it is difficult to devise a system of credits for property taxes against personal income tax liabilities that would be equitable between those who own their homes and those who rent from others. In spite of the difficulty, we should do everything possible to solve this problem.

By adopting this motion hon. members will not only ease the tax burden but also stimulate the Canadian economy. I believe that all of us in this house desire to give the taxpayers of Canada a long overdue break. The load of the Canadian taxpayer has been made heavier by a succession of increased taxes at

the federal, provincial and municipal levels. Finance ministers have even devised new names for all kinds of new taxes, the latest one being the 2 per cent social development tax. The steadily rising cost of living also adds to the burden of the wage earner and especially the family bread winner to provide decent accommodation and the other necessities of life.

The matter of taxation in Canada is an urgent issue. I know it is complicated as well as being a vital instrument in our society and form of government. The royal commission on taxation, under the chairmanship of Mr. Carter and other experts, has revealed these difficult tax problems. We have been promised a government statement on the report of the Carter royal commission on taxation but this has not been forthcoming as yet. I realize, as I have said, that it is not an easy problem. However, we must deal with the situation now because it is urgent.

When the federal government introduced income taxes it was felt that a basic deduction of $1,000 for a single person and $2,000 for a married wage earner represented the basic necessities of life. However, these exemptions are completely inadequate today. I am sure all hon. members will agree with me on that point. In presenting this motion to the house, I know that it is an attempt to amend the income tax but I feel this motion will recommend itself to all hon. members. By supporting this motion they will make it possible not only for the residents of owner occupied homes but also for people who live in apartment houses and boarding houses to claim an exemption for personal income tax. Therefore, in the same vein of thought I am sure hon. members will feel that justice is being done. I believe these people deserve this break.

The government will also recognize by this move a basic social need. Such an exemption would encourage home ownership which is the goal and dream of many Canadians. The dream is for a decent home in a sound environment. This is the best place for a man to raise his family. It is the duty of a democratic government, I believe, especially one which has declared its purpose to work for the establishment of a just society, to provide for its citizens decent housing at reasonable cost. As well as the moral, economic and policical implications of inadequate housing, congested living, slums and the burden of taxation, there are also many mental and physical health implications, as well as the harmful effects of air pollution in our industrialized urban centres. These problems must be dealt with too, and during the discussion of this motion I should like to add that I believe a special federal department of housing and environmental affairs should be created without further delay.

The exemption I propose in the motion would also stimulate our economy by encouraging the buying of more and better houses. This would also alleviate our rising unemployment problem. Above all, it would enable our citizens to lead better lives and would provide them with a greater chance for the fulfillment of their human potential. I appeal to all hon. members to support and pass this motion. Such action would ease the intolerable load of taxation that is burdening the taxpayers of Canada. The people in owner occupied homes as well as people living in apartment houses and boarding houses would benefit in many ways if all hon. members would accept this motion which I have proposed again in this session of parliament. Our opportunities in this house to reduce taxation are rare. We must not neglect the present opportunity.

Mr. Lincoln M. Alexander (Hamilton West): I rise with some concern, Mr. Speaker, because I do believe that if it is possible for us to have a just society, then this just society must result from the directions of the government. However, with the greatest respect, I say that I do not believe in the phrase "a just society" because I believe it is an expression that has no meaning. I should like to place my emphasis, therefore, on what might be called the quality of life. I feel this is what we are concerned with, the quality of life of all Canadians; it is in this area that we should be genuinely concerned.

During his remarks the hon. member mentioned that owning one's own home is becoming an impossibility. Certainly this is something that we should investigate. I recall very vividly that in my maiden speech I said that owning one's own home was becoming an impossibility. In other words, the leadership that we had expected, and I think rightly expected, to come from this government has not been forthcoming. We find that we have a task force that is pussyfooting around the country. As a matter of fact, even in this just society the task force did not want to come to Hamilton. I had to indicate that Hamiltonians were interested in the task force and that it should come to Hamilton to look into the housing situation.

When I heard the hon. member's motion it sort of rang a bell. The motion reads in part:

That, in the opinion of this house, the government should give immediate consideration to the feasibility of allowing residential taxes on owner-occupied homes—

I remember stumping the streets in 1965 at a time when this party had a program which indicated we were cognizant of the situation. We said at that time that if we formed the government we would allow an exemption of $500 from income taxes for this purpose. Therefore I have risen to support the hon. member who is concerned about rising taxes. In this just society we have just had the raising of taxes by a further 2 per cent, the so-called social development tax. I am sure I speak on behalf of almost everyone in this house when I say that hon. members would support this motion because it is important that we give some relief to the many people who are being strangled as a result of high taxes at all levels of government.

I realize that the hon. member has carried his motion much farther. Even though the Carter royal commission says there is a problem, the hon. member says we should not only give some consideration to the owner-occupier but should move into the area of rental accommodation. This should be considered too, and how just this is if we are going to move into a just society. At the same time we are talking about the quality of life and in many instances, because of peculiar circumstances, we see the effect of housing on this sort of thing but it is disregarded.

• (6:20 p.m.)

It seems to me, Mr. Speaker, that there is no question that housing is one of the most important priorities we have to face. Briefs are being presented from all parts of the country to emphasize its urgency and I am sure hon. members are receiving letters from all across Canada, not only from their constituents, on the subject.

When I think of a house, Mr. Speaker, I think not only of a roof over my head but of what the house itself contains. The hon. member has already expressed more articulately than I what I am trying to say, but when I think of a house I think of the fact that the provision of accommodation means a reduction in juvenile delinquency. I think it improves marital relations. I also think of a general reduction in crime.

Most important of all, Mr. Speaker, I think of the ghetto type of living about which people in other countries have become quite concerned. Where grievances lie dormant for months or years we find they reach the stage of being beyond solution, so that the solution itself becomes a problem. This in turn leads to riots, the type of social disorder that we in Canada certainly do not want and cannot afford.

I commend the hon. member for bringing forward this resolution. I am a new member and I understood him to say that he was bringing it forward again; it is good that he does so because I am pleased to stand and support it. At one time it appeared that we were interested only in the low income earner who was in a terrible situation as far as housing was concerned. We now find, at least as far as I am concerned, that no matter what part of the country one lives in one has to make at least $9,000 or $10,000 before one can become a home owner. Therefore we have moved our consideration from the low income earner to the average income earner.

Most people thought that the government had given weighty consideration to our housing crisis. As I understand it, the former minister of labour initiated a symposium on housing. This symposium travelled around the country seeking information. But surely, Mr. Speaker, they knew what was going on. We are now awaiting with great expectations the present task force's return.

I too, Mr. Speaker, like my hon. friend, think that housing is a matter of great consequence. As a matter of fact, one of the briefs that was presented stated;

However, with the growth of the country, the present dire need for housing our citizens and the many diversified problems involved in meeting that challenge, it is the contention of our association that such a task requires the undivided attention of a minister of housing to lead and direct the federal effort in solving the many questions arising in housing and urban development.

The brief goes on to state:

We believe, too, that the job of co-ordinating those activities which influence housing matters being carried out by other government departments such as—

Listen to the list, Mr. Speaker.

—the Treasury Board, Department of Finance, Labour, Manpower and Immigration, Transport, Consumer Affairs, Veterans Affairs, requires the full time services of a housing minister as does the federal housing relationship with the various provincial and municipal governments.

Therefore, Mr. Speaker, one can see that this is no easy task. The job does not call for

the services of one minister who has one or two portfolios, approaching the question with the attitude: Let us face the problem because the people are screaming for housing.

As I say, Mr. Speaker, I am honoured to stand and support my hon. friend's motion. We in this party sincerely believe that housing should not be beyond the reach of the Canadian people. This is why we believe we should move in the area of assisting municipalities to reduce the cost of land and services. We should be where the action is so that people who have average incomes or below can afford a home. This is a great necessity. We should take cognizance of those with below average incomes because this is where the trouble may start, as I have tried to indicate earlier. We have to think of individual home ownership. I should like to think that this is everybody's dream in the long run, to own one's own home. Thank goodness I was able to buy one ten years ago because I could not buy one today. Perhaps there are many here who do not yet own a home and cannot afford one either.

We also have to be concerned about low rental housing, housing research, housing construction methods, the cost of municipal services, row housing, co-operatives and condominiums.

I do not think I should take up any more time of the house, Mr. Speaker, except to say this. I think the hon. member has projected something of great consequence this afternoon. It is to be hoped that all hon. members will look upon it as favourably as he did in order that the phrase about which we hear so much these days, "the just society", will at long last mean that yes, we are in fact living in a just society.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I wish that I and other members of this group could support this motion because I have no doubt at all that the intent of the motion moved by the hon. member for Parkdale (Mr. Haidasz) is to help the overburdened taxpayer. We all know that in many cases the overburdened taxpayer is in very serious jeopardy now. However, as spokesman for my party on this measure, Mr. Speaker, I cannot possibly support the motion because it does violence to the major principle that should underlie all taxation, that is, the principle of taxation according to ability to pay. Indeed, it stands poor Mr. Carter right on his head. Although the Carter report has been cited this afternoon, the one principle that underlies the Carter report is that people should be taxed according to their income and ability to pay.

This proposal, Mr. Speaker, does not do that at all. According to this proposal the people who have the best houses and pay the most taxes get the biggest rebate. The people less able to pay and whose taxes proportionately eat up a much larger share of their income receive much less relief than the wealthy. That does not fit in with my concept of a just society.

I know that is not the intention of the hon. member for Parkdale, Mr. Speaker, but unfortunately that is the effect of his motion. This is why our party cannot support it. Our whole effort and energy have been directed toward the premise that it is not terribly important how much you pay in taxes; what is important is what you have left to live on after your taxes are paid. Unfortunately, Mr. Speaker, this motion would lighten the load of the taxpayer in proportion to the amount his income increases. This takes a bigger share of the local taxes away from him than from the lower income taxpayer, through the federal agency. We do not regard that a fair way of doing things.

• (6:30 p.m.)

The hon. member for Parkdale (Mr. Haidasz) spoke of the importance of giving fair consideration to the taxpayer, and he emphasized that it should be fair. I do not consider this measure to be fair, and I think we ought to reject it and look for other ways of doing what is intended to be done. In other words, this measure of relief has no relation to the income of the person who is to be relieved of paying taxes.

Reference has been made to the Federation of Mayors and Municipalities. I have in my hand one of the resolutions that was moved by that body this year, and I read from it as follows:

> —Resolved that, for the purposes of obtaining relief from the burden of the property tax, provincial assistance should be provided which would contain the following characteristics as basic principles:
>
> —both tenants and owners to benefit;
>
> —assistance directly related to the property tax;
>
> —the assistance to be of highest benefit to low-income persons.

If one only reads to the second item, "assistance directly related to the property tax," the hon. member for Parkdale can say, "You see, that is exactly what I am doing." But if one reads the third item, "the assistance to be of highest benefit to the low-income persons,"

he finds that the hon. member did not go far enough in dealing with this set of propositions.

In order to bring relief to those most needing it, the biggest benefits ought to be made available to low income people. Such would not be the case with the hon. member's notice of motion.

I now wish to talk about that part of the notice of motion which refers to the feasibility of allowing residential taxes on owner-occupied homes and rental of accommodation of tenants to be deductible from federal personal income tax. The meaning of that is not clear. I know what the hon. member for Parkdale intended, but lawyers have a habit of not reading minds. They look at cold print. The hon. member's motion does not indicate whether the benefit under the federal income tax is to go to the renter or the tenant. Who is to be forgiven? I know what the hon. member intended, but this measure I submit does not indicate what he intended. I think many lawyers might argue about the meaning of this measure and not arrive at a clear understanding, simply because of the way it is worded.

If we are to ask the federal government to help municipalities I think the best and most obvious way to do that is for us to get busy and act on the housing needs of the municipalities in a more co-operative way than has been the case to date. When I attended the federal housing conference in Toronto two or three weeks ago I heard over and over again that housing is no problem if one has money. Only if one has insufficient money will he have difficulty obtaining a home.

If the federal government is to assist in the housing needs of the municipalities it ought to follow the advice of members of more than one housing delegation, who said that we in this country require large scale and diversified building. I know that many people in the country would love to own their own home; while on the other hand there are many others who do not want to do so. We live in a mobile society and a quarter of our families move every year. People who move, and young people in particular, do not want to be burdened with owning a home. Rental accommodation is better suited to their needs. I have spent half my life in homes that I or my family owned and the other half in rented accommodation, and from my experience the type of work one does will influence the decision as to whether one wishes to own a home or rent one.

In this country we need both more owner-occupied homes and more rental homes. The need for rental accommodation is fully as great in Canada as the need for private homes. Like the hon. member for Parkdale, I know of many cases, tragic cases, where old people cannot leave their large, old homes because they cannot afford to obtain alternative accommodation. I do not think the best way to help these people is by forgiving them their municipal taxes. That would not help them obtain a new home. We must provide more suitable homes for senior citizens, no matter whether they are separate homes, terraces, or, as in the case of Vancouver, separate homes that are incorporated in an apartment block. All these types are needed.

Ottawa can help the municipalities in a practical way by aiding people in the matter of income. I suggest that our basic income tax exemptions ought to be raised. That would be a much fairer way to help our taxpayers, no matter whether they live in owner-occupied homes or rental accommodation. Raising exemption levels to, say, $2,000 for single persons and $4,000 for married couples would be of immeasurably greater assistance to our overburdened taxpayers than the forgiving of their municipal taxes. I submit that our taxpayers could be helped far more if Ottawa were to raise basic income tax exemptions than if they were forgiven their municipal taxes. That would be a fairer way of doing it.

We cannot consider the question of how to help our taxpayers from one angle only. Housing is a vital need in our nation. If our municipalities are to have a larger tax base, they must have more houses from which to raise taxes. More houses mean greater municipal revenues. We must not forget that.

No doubt other hon. members wish to speak on this measure. I have made the points I wanted to make. I do not want the hon. member to think that we have not considered our position carefully. We approve of his trying to help the overburdened taxpayer, but we say with regret that this form of help will not lead to the just society. On the contrary, it will widen the gap between those who have much and those who have little. Consequently we cannot support this motion.

Mr. Walter Deakon (High Park): Mr. Speaker, in rising to speak on this notice of motion I wish to say briefly that I concur

with the principle of the motion, subject to certain reservations. I concur with the views of the hon. members for Hamilton West (Mr. Alexander) and Parkdale (Mr. Haidasz). It is my view that this motion ought to be considered along with a total review of our entire taxation system. Only that way can matters be made more equitable for all concerned.

It is a common saying that a man's home is his castle, and this applies equally to the home of an owner and to that of a tenant. It is regrettable that in our day and age to keep up this castle is more difficult than ever, mostly owing to the exorbitant tax rates presently being levied against real property. That directly effects the homeowner, and indirectly the tenants to whom tax increases are transmitted by means of higher rents.

• (6:40 p.m.)

These increases in realty taxes impose a great burden on all citizens, particularly on our senior citizens who are presently struggling on savings based on earnings of yesteryear. For these people, many of whom live in my riding of Toronto-High Park, the situation is difficult to cope with. To a large extent they must rely on small savings and assistance from their children to supplement the meagre old age security assistance they presently receive. Surely, after all they have done, they should be entitled to a better fate. Permission enabling them to deduct realty taxes from income would certainly be a step in the right direction. As to the comment of the previous speaker about elderly people who own large homes, I should like to point out that in many cases these homes have great sentimental value; their occupants are reluctant to leave them and I think they should be entitled to stay in these homes for which they worked and for which they helped to pay.

Permission to deduct realty taxes should also be given to those in the lower and middle income groups who are also overtaxed. If we consider this matter from a practical point of view, it becomes clear that this realty tax is actually a form of double taxation. Consider first, the residential home owner. The realty taxes he or she pays come from net income received, an income which is taxable federally. So, technically speaking, a home owner is paying tax upon tax.

A tenant finds himself in a somewhat similar position, since the rent he pays is in large measure dependant on the landlord's overhead, a major portion of which is constituted by realty taxes. Under our present income tax structure a landlord must declare the rents he receives as income, and this income is, in turn, taxable. But remember: the tenant who pays the rent is paying it out of his net income, which has to be declared for income tax purposes. In essence therefore he is paying tax on tax, as is the home owner. Because of such inequities it is becoming increasingly difficult for a citizen to acquire and, in due course, to own shelter for himself and his family—a basic necessity of life.

Permission to deduct property taxes from income would, I firmly believe, lead to an increase in home construction, encourage home ownership and allow municipalities to raise much needed revenue to meet their ever-growing obligations, as was mentioned by the hon. member for Parkdale (Mr. Haidasz). In addition, an extra incentive would be given to home owners to improve and repair their premises and make them more beautiful for the benefit of the community. The step I propose would bring taxation more closely in line with ability to pay.

It is sometimes argued that to allow the deduction of residential taxes would normally be of greater benefit to the more affluent taxpayers than to others. In order to counteract this argument, which I consider to have merit, I would respectfully recommend a deduction ceiling of $750. This would eliminate any advantage which might otherwise be derived by more affluent taxpayers. It is my submission that over and above a certain basic amount necessary for a shelter in which to house a family, the added cost is strictly for frills and luxuries.

I further submit that notwithstanding arguments to the contrary there would not, in fact, be a revenue loss but in the long run a revenue gain, since the money saved by the taxpayer would be spent elsewhere to assist the economy, and because in many instances persons who have so far not made complete disclosure of rental revenue would be encouraged or obliged to do so.

In addition to supporting this motion I would recommend the deduction from income of interest payable on mortgage payments as they pertain to residential property. A landowner who rents his property is already entitled to such a benefit, and in view of the fact that the benefit is transmitted to the tenant, the residential home owner should, in equity, be allowed the same privilege.

I should like to give hon. members a simple illustration. Let us assume that A sells a house to B for $30,000. The buyer does not have sufficient funds in cash to pay for such a

home, so he gives A $10,000 cash and a $20,000 mortgage. Subsequently, A has to buy a house to shelter his own family. He buys one from C at a price similar to that which he has been promised. Since he received only $10,000 from B, he cannot pay the whole amount at once, but places a down payment of $10,000 and in turn gives C a $20,000 mortgage.

According to our present taxation system, A has to declare the interest received on mortgage payments from B, but he is not entitled to deduct interest he is paying on the mortgage equivalent to the one he is paying with respect to the property he bought from C. This shows how inequitable the present system is, and I submit that this interest should be deductible.

Based on these considerations, it is my humble opinion that this house should give immediate consideration to—

(a) allowing residential taxes on owner-occupied homes to be deducted from federal income tax, up to a ceiling of $750

(b) allowing tenants to deduct the cost of rental accommodation for federal income tax purposes

(c) permitting deduction of mortgage interest from personal income tax.

I feel this would alleviate a portion of the heavy tax burden now imposed on taxpayers.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, I should like to take a few minutes to express some ideas.

I agree with this proposal although it is not complete, although in fact it barely touches upon a problem the depth of which is such that our whole fiscal system should simply be revised.

I wish to take this opportunity to denounce this realty tax which a retrograde tax, which should not exist in 1968 for the simple reason that today the realty tax is unfair. Allow me to give an illustration of the unfairness of this realty tax.

Take, for instance, Saint-Marc-des-Carrières: where an individual who earns $4,000 a year is being punished because he owns a house, because he put up a struggle, perhaps more than another who is renting and earns $8,000, twice the salary of the owner? With great difficulty he saved a bit of money and managed to build himself a house. After making sacrifices, at last he has his own home.

He will have to pay. He will be punished because he managed to build himself a house, to have a real home. But his neighbour, who is a tenant even though he earns twice his salary, will not have to pay a realty tax.

That tax is unfair. If need be, increase the income tax which is a fair tax, although of course we do not like to see it go up. If we compare realty tax with income tax, we realize of course that the latter is more justifiable than the realty tax which should disappear.

It seems that the motion of the member could help to solve the real problems of those who pay a realty tax. That is why it should be supported even though, as I said at the start, it is not complete.

I also agree with what was said by the member who spoke before me to the effect that certain provisions should be added as proposed last year in a similar motion by the member for Portneuf (Mr. Godin)—with regard to the Income Tax Act allowing private owners to deduct from their taxable income any amount spent in realty, municipal or school taxes as well as mortgage interest on the homes they live in.

Young people, in particular, should be encouraged to have their own homes, and this would be an excellent way of stimulating the economy throughout the country by encouraging home owners.

• (6:50 p.m.)

[*English*]

Mr. Warren Allmand (Notre-Dame-De-Grâce): In this resolution the hon. member for Parkdale (Mr. Haidasz) proposes that residential taxes, and in certain cases rentals, be deductible from federal personal income tax. Since the second part of the resolution dealing with deduction of rentals is not at all clear to me, I shall merely deal with the first portion regarding deduction of residential taxes.

I see this proposal as having two purposes. One would be to relieve the heavy burden of taxes carried by those who own homes, and the second would be to serve as an incentive to home ownership and to the building of homes for Canadians. Although I agree that residential taxes are a heavy burden I do not think that this is the proper remedy. I certainly agree with the previous speaker, that municipal taxes, residential taxes, school and other land taxes are completely inequitable, unjust, and completely out of step with modern taxation reforms.

There are instances, such as those already illustrated in this debate where a person who has improved his land, who has tried to make his home a nicer place in which to live, is penalized by more taxes, whereas a person who allows his house to become run down, to become a slum, pays less tax. Worse than that, take the case of a man who tears down a lot of older homes, sometimes nice homes, and turns the land into a parking lot. He will have his taxes reduced while he waits for the local municipality to introduce a road program or construction program from which he can make a great capital gain by speculating in the land.

If a man clears land and leaves it vacant his municipal tax is lowered. But his neighbour, who improves his home, possibly by building an addition to it to house a larger family, or by building a garage, is penalized because he must pay higher taxes. I agree that residential taxes are extremely unjust, but I do not think the remedy lies in allowing them to be written off as deductions against federal income tax. This would bring about the inequities which the hon. member for Vancouver-Kingsway (Mrs. MacInnis) mentioned.

I believe the real remedy lies in changing the taxation system. Many suggestions have been made. Some people think municipal services should be paid for through user charges. Others suggest a site value tax, based on the purpose for which land is to be used rather than on tax charges for additions or for new buildings.

Neither do I think the second purpose of the resolution, which is to serve as an incentive for new housing programs, is the proper solution. As the minister in charge of housing said the other day, if we have to apply further subsidies or raise taxes in Canada to alleviate the housing problem we will not really be solving that problem.

I submit that the only way we can really help potential homeowners is by bringing down the cost of homes. Mass production techniques and new technology have been applied to almost all consumer products on the market, but not to house building. Washing machines, refrigerators and automobiles are manufactured through mass production techniques, but until recently homes have been built by old and very costly methods. In this connection I refer to this article which appeared in the Montreal *Star* of September 24, concerning a new house building technique developed in California:

> A computer-directed machine that can build prefabricated walls at the rate of 20 feet a minute, automatically sizing, cutting and nailing the lumber, has been developed in Fresno, California, by three lumber company executives.
>
> The device at M. Kellner and Son Lumber Co. can construct the interior and exterior walls for an average-size two-bedroom house in about 20 minutes. Walls for 500 homes can be built in a week.

It goes on to point out that by using this method costs can be reduced to a great extent.

Other suggestions have been submitted to the task force on housing. I take issue with the hon. member for Hamilton West (Mr. Alexander) who said that the task force is not doing a proper job. We must reserve judgment until it brings in its report, and until the government acts on that report. One of the briefs submitted to the task force when it visited Montreal also pointed out that great savings can be made in house building through the introduction of new technology and mass production techniques. If we really want to help the house building industry, if we want to help people in the lower and middle income brackets to have homes they can afford, we must do it through new technology and mass production.

[*Translation*]

Mr. Speaker: Order, please. The private members' hour has now expired.

In accordance with standing orders, I do now leave the chair till eight o'clock.

At seven o'clock the house took recess.

[*English*]

AFTER RECESS

The house resumed at 8 p.m.

SUPPLY

The house in committee of supply—Mr. Faulkner in the chair.

TREASURY BOARD

1. Departmental Administration, including grants as detailed in the Estimates, $5,131,400.

The Chairman: House again in committee of supply, revised estimates of the Treasury Board.

Mr. Lewis: Mr. Chairman, at six o'clock when the time was drawn to my attention, I was literally in the middle of a sentence.

I could not tell you the sentence but I do remember the subject matter. At the time I was dealing with the red circling of a good many employees in the public service, and I had reached the point where I was drawing the attention of the committee and of the President of the Treasury Board to the fact that not only is there the red circling but in many cases, and so far as I have been able to find out in literally thousands of cases, the red circling which was made, say in the fall of this year, was made retroactive to a year earlier.

I really cannot see any justification at all for that. Its effect has been to deprive employees of back pay to which they would otherwise have been entitled. We might take this example—a hypothetical example, but it describes the actual situation. The reclassification in a given situation was completed, let us saw, in October 1967, and was made retroactive to October 1, 1966. In the meantime a collective agreement was arrived at between the applicable organization and the government in which there was an increase of "x" percentage dated back to October 1, 1966. Because the red circling was also made retroactive to October 1, 1966 the employee who was red circled did not even get the increase applicable to the classification in which he worked and was employed for the preceding year.

I am astonished and outraged by that kind of behaviour. If I have misunderstood the situation or if I am misrepresenting it I assure the President of the Treasury board that that misrepresentation is not deliberate and he may correct me; but I do not think I am wrong. What possible explanation can there be for this; what right has an employer to say in October 1967 that, despite the fact that the employee worked in a certain class all through the 12 months from October 1966 to October 1967, he will not receive the increase that has been made applicable to that 12 month period and that he is frozen, not at the rate as of October 1, 1967 but at the rate as of October 1, 1966 and thereby loses the increase to which he is entitled.

For the life of me I really cannot understand what justification there can possibly be for that. If a poor fellow or woman is to be frozen, then let it be at the rate applicable at the date on which the red circling takes place, and not set back as in many cases a full year. From information I have been given, some post office employees and some customs employees have lost in some cases $200 or $300 and even more in back pay to which otherwise they would have been entitled. This is really indescribably bad labour relations, and it is possible only for an employer as strong as is the government. There is no need for such a scrooge-like attitude toward employees.

When the legislation was before the standing committee, then before this committee and this chamber I appreciated there was some reason for the insistence on the part of the government that classification and promotion cannot be made fully a part of collective bargaining. As I recall the reasoning, it was that the merit system on which it was hoped appointment to the public service and promotion within the public service would be based, made it necessary that there be objective rules laid down by the public service commission, and objective criteria applied in appointments through examination and in promotion through examination, and that therefore the merit system could not be allowed to come under attack or be eroded by the provisions in respect of security and the like that must be considered in ordinary collective agreements.

I speak from memory, but as I believe I said at the time, and say now, I can see some validity in the wish to retain the merit system and not let it become subject to the ordinary collective bargaining limitation; but that does not mean that the organization representing the employees should have no say whatever in classification and promotion procedures. This does not mean that it is impossible for the employer, in this case the government, to consult with the organization representing the public employees in order to give them an opportunity to make representations about the classification and reclassification, and to give them an opportunity to do this before the reclassification becomes a *fait accompli*, because once it is done, and it is necessary to go through the grievance procedure and appeal procedure before the public service commission, there is nothing very much that will be done then.

I am certain it is an uncivilized procedure—and I use that word deliberately because I think it is uncivilized—for a big employer to say that it has the power to make the classifications and reclassifications, and is going to do it, and that the employee must take it even retroactively for a year if the employer so decides. That is not civilized labour relations. In a civilized situation there is no reason why the organization concerned should not be consulted and informed before

the reclassification and red circling becomes a fact, so that the organization would be in a position to put its case before the representatives of the Treasury Board. Had this been the case, perhaps the kind hard heart which faces me across the aisle might have agreed not to impose the retroactivity of the red circling. I have known him to be kind; I have also known him to be hard hearted. Perhaps if the organization had caught him in one of his kind moods he might have seen the injustice involved in the red circling of people retroactively for a whole year.

• (8:10 p.m.)

I say to the President of the Treasury Board that the reason the collective bargaining has worked so far is not because he and his associates have done what they should have done in respect of the public service collective bargaining process, because from my observation they have broken a good many basic rules of collective bargaining. I indicated they broke the rules in respect of making some offer to the people on the other side, as soon as negotiations began, so that movement could start early. In the case of the postal service employees, if my memory serves me right, it was some seven months before they made the first offer. This is almost an invitation to strike. When you keep people waiting for seven months before making them any offer at all, the bitterness that develops among the rank and file makes it impossible for anyone to keep them from striking. By that kind of collective bargaining you invite disputes of a serious kind.

The employer in this case, I suggest, also broke the basic rules of collective bargaining by laying down a ukase as to the amount the seaway employees would get. The Prime Minister stated that 6 per cent was fair, and the government would not give any more. He made the statement while negotiations were taking place. In my opinion the government also broke the basic rules of collective bargaining by imposing retroactive red circling without discussion or consultation with the organizations. Even with discussion and consultation it was wrong to do this.

The reason the collective bargaining process has worked as well as it has so far in the public service is not due to the proper behaviour on the part of the government, although a lot of it has been proper. In many cases the basic rules of collective bargaining were broken. It has worked as well as it has because public service organizations have not yet developed the militancy that unions usually develop, and because in the early stages of collective bargaining, even in private industry let alone in the public service, unions tend to be a little more timid and careful.

I warn the government that, as the unions become more certain of themselves and as they gain confidence in their capacity to face their employer across the bargaining table, instead of having to accept orders and ukases, if the government does not change its attitude toward some of these rules of collective bargaining it will invite a great deal more disruption than we have had in the past.

Strikes in services like government services usually take place as the result of serious circumstances, and they occur only when the employer also has made mistakes. In the government service we have responsible employees and responsible leaders. I am using careful words. I am not saying strikes occur when the employer alone has made mistakes; I am saying they occur when the employer and the other side have made mistakes. In this case there is no excuse for the employer making mistakes. The government and its huge civil service ought to be able to research the situation so as to avoid mistakes.

Let me repeat my warning. If things are not changed, then serious difficulties will occur in the future. They need not occur. Let me conclude my remarks by even now pleading with the President of the Treasury Board to reverse the decision with regard to the retroactive red circling of employees. There is no justification on any social or moral ground for a person who has worked in a certain class before being red circled not getting an increase applicable to his class for that year. Every employee who was deprived of retroactive pay to which he was entitled suffered a grave injustice. It is not too late for the President of the Treasury Board to persuade his colleagues in cabinet that this injustice should be rectified.

Mr. Skoberg: Mr. Chairman, I should like to draw attention very briefly to that portion of the estimates which come under the Treasury Board and deal with the National Research Council of Canada. I was very much interested in the report handed out regarding the National Research Council of Canada and at this time—

Mr. Drury: I rise on a point of order, Mr. Chairman. I do not want to stop the hon. member but I should point out to him that the estimates of the National Research Council have been referred to a committee of the

house. Consequently a discussion of them now during a consideration of the estimates of the Treasury Board would probably be out of order.

The Chairman: I am sorry I was not listening carefully to the hon. member when he commenced his remarks, but the point made by the President of the Treasury Board is correct. Votes 15, 20, 25 and 30 of the estimates of the Treasury Board are before the standing committee.

Mr. Skoberg: Mr. Chairman, I intended to deal in a general way with the report. I did not intend to take any specific item of administration as such. However, if that is your ruling, so be it.

Mr. Baldwin: Mr. Chairman, I have a few observations I should like to make. During our consideration of this item in the estimates. When we are in the committee of supply I sometimes have the feeling that dealing with these estimates is like an ancient tribal ritual greeting spring. It has no real meaning as an examination of the estimates. I only hope that the new structure or procedure of sending the estimates to committees will be more effective. While I recognize the usefulness of using the discussion of estimates as a means of presenting the sort of argument we have heard from members of the N.D.P.—and we have been doing the same thing—I hope that proper use of the committee system will result in a far more meaningful effort.

Let me make several observations in this regard. I should like to consider this whole matter of using the estimates as a gauge of national expenditure. The Leader of the Opposition during our early consideration of the estimates questioned the President of the Treasury Board about the five year projections of spending proposals. After listening carefully to the minister's answers, I think our estimates would have far more meaning and value if the form of the estimates was changed. This form is subject to change, and I recall from my experience as a member of the public accounts committee that a great many useful changes could be made. Surely one change that might well be made is the inclusion with these various estimates of the five year projection in respect of particular votes dealing with specific and committed programs, so that we would see year by year the extent to which these five year projections had been in fact adhered to.

[Mr. Drury.]

• (8:20 p.m.)

I can give a typical example. We had some questions in the house the other day about an item involving the expenditure of $61 million for the construction of a complex of buildings for the C.B.C. in the Montreal area. I think this information was given in response to a return which had been asked for on written questions. I would like to suggest that there is nobody in this committee who is listening to me now who would be prepared to wager any sizeable amount of money that by the time this particular project is completed its cost will be limited to $61 million. I would be very much surprised if, having in mind the usual changes, it were not much closer to $100 million by the time it is finished.

This is the kind of thing that I think, if we are going to have any meaningful and intelligent examination of specific projects, members of this committee, acting as the people charged by the 20 million people of Canada to examine the spending habits of the government, to see that we are in fact getting good value for our money, and to ascertain what would be the proper priorities to assign to different spending programs, should have an opportunity to examine. This may possibly be somewhat more limited than what the government, the Treasury Board and the cabinet would do, but some effort should be make on our behalf, and information should be given to us so that we could look at these respective programs. Then, in four or five years, we would be able to come to decisions, to evaluate the various proposals, and possibly, when we come to deal with the supply of money to the government, we would be able to exercise a judgment which at the present time I am afraid can only be a stab in the dark.

There may be good and valid reasons why this should not be done. My recollection is that it was Secretary McNamara in the United States who introduced into the department of defence there a budget programming, and a more intelligent and searching look. We heard from the Minister of Finance that he too is now doing this scientifically and that he has computers for the purpose. Talking about tribal rituals, and having in mind what the Minister of Finance has succeeded in doing, I often think that when he came to estimate his budgetary proposals and his deficit he probably slaughtered a chicken and examined its entrails, and this is where he came up with the facts which he gave to this house last fall, and again recently.

I would suggest that this is an aspect of the estimates which might well be considered, so that year by year we would have an opportunity of comparing what in fact were the actual expenditures with the projections which had been made. This might well have been applied to the national centre for the performing arts here in Ottawa. Such information might have been given members of this house and, without judging the merits of this or any project, I do think a similar procedure would really make for a more searching and intelligent scrutiny of the bad spending habits of the government—they have a few good ones but most of them are bad—by the members of this house, an opportunity which at the present time they are denied.

I would also like to deal with the aggregate of the amounts we find in these estimates. I listened very carefully to the explanations of the minister that the Treasury Board, at the appropriate time, having heard from the various departments, takes appropriate steps as a result of which the blue book emerges. But, after all, the blue book should be taken as a virtual contract between the government and the people of Canada whom we represent. The details of any good contract are offered for acceptance and consideration. The government offers to do certain things, to provide certain services and certain public works, and the people of Canada, through parliament, agree to pay so much for it. That is the consideration. But what we find is that this contract is broken year after year. Every time supplementary estimates are brought into this house, there is in fact a breach of contract.

I am not suggesting any government, and certainly not this government, is able to anticipate with accuracy and precision that some contingencies may not arise in the future, but when we see the total aggregate of the supplementary estimates which have been brought in, for example over the last five years, I say that surely, when the Treasury Board has with great pains and meticulous care gone through the departmental proposals and come up with the figures in the blue book, we should be entitled to look at them as being a firm contract.

We find that over the last five years over $4 billion was brought in by way of supplementary estimates. In the fiscal year 1963-64 there were five sets of supplementary estimates, from A to E inclusive, totalling $730 million. In 1964-65 there were four sets of supplementary estimates aggregating $900 million. In 1965-66 there were five sets of supplementary estimates with a total of approximately $850 million. In 1966-67 there were seven sets of supplementary estimates aggregating $1,200 million. In 1967-68 there were three sets of supplementary estimates aggregating $460 million. As I said, the total is approximately $4,200 million.

This is a practice which has to be reviewed very carefully. What does really happen? Do the departments, being unable to bring in to Treasury Board the full amount of the expenditures they would really like to make, soften the blow by asking for a little less, or allow themselves to be taken down to a little less money, knowing all the time that before the fiscal year is over they are going to come back with requests, through the medium of supplementary estimates, to get the total figure for which they originally asked? If that is the case, then it is just a game which is being played.

There is no certainty about it, and I think that members of this house are entitled to better treatment than this. I point this out more in sorrow than in anger, in the belief that the practice is one which should, and I hope will, be reviewed. If the committee structure works properly, I think there will be adequate opportunity through this means to have a careful study made of these estimates as they are going through, and in fact through an examination of departmental officials committee members should be able to find out if the estimates as produced in the blue book are the total that they expect to receive for the fiscal year.

Then I want to add to that my dislike of another practice, which I think is equally invidious, of adding several hundred million dollars each year under the heading of loans, investments and advances. I am not going to go into the details of this matter, since I have done so before, but I am going to keep on coming back to it as long as I think the practice of the government is wrong.

• (8:30 p.m.)

Quite obviously many of these so-called loans, investments and advances are, in fact, expenditures. They are, in fact, expenditures of the crown and not loans or income producing investments. All one needs to do is to examine some of the items in question, and it becomes absolutely obvious there is not going to be any return to the consolidated revenue fund on moneys lent in this way, other than by subsequent expenditure items which are contained in future appropriations. This is the

only way the loan is going to be repaid. I may be ignorant of the finer points of government financing, but surely there should be some distinction made between a valid loan made to a crown corporation where there is some hope of repayment, and the kind of expenditure we have seen. I dislike referring to the C.B.C. all the time, but we find a $25 million loan to the C.B.C. and another $35 million loan to the C.B.C. I can only hope that my prospects for eternal salvation are a lot better than the hopes of the C.B.C. for repaying these loans.

I make mention of these things, Mr. Chairman, because I think they are important, having in mind the problems faced by the ordinary taxpayer today in trying to make ends meet. We have a duty cast upon us to scrutinize as closely as we can the various expenditures. I am not satisfied that the government is putting before us the information we should have. I make this as my annual presentation. If the minister is where he is next year and I am where I am, then I will be coming back again to this subject. I am not an optimist like the hon. member for Winnipeg North Centre. I do not hope for a cure, except possibly if the people of Canada hear of this practice they may at some future date insist that the government conform with ordinary practices which are sound and sensible.

Mr. Knowles (Winnipeg North Centre): I do not wish to take the floor again at this time, Mr. Chairman, if there are others who wish to do so. However, I should like to hear from the President of the Treasury Board with regard to the matter about which I spoke for about half an hour this afternoon. He did me the honour of listening to my remarks, at least I thought he was listening, concerning the plight of the retired civil servants. I am grateful for the attention he gave me because so often when I make this appeal I have to make it to a parliamentary secretary, or to persons who do not have the authority of the President of the Treasury Board. The minister knows that the unanimous report of the special joint committee was presented to parliament on May 8, 1967. I am sure he must be familiar with it. Can he tell me the status of that report, so far as the government is concerned? Has it been considered? Has the cabinet considered legislation based on that report? When can we expect action on this very serious and very important issue?

Mr. Drury: If I may deal with the observatons roughly in the order in which they were made, Mr. Chairman, the first was from the hon. member for Winnipeg North Centre, who made a very eloquent and repeated plea for the correction of the unfortunate circumstances in which the superannuated civil servants find themselves. The hon. gentleman did indicate that he thought, while at one point the government had had the best intentions in the world, it had only succeeded in leading these unfortunate people up the garden path. I think those were his words. He said that by agreeing to constructive, progressive steps people had been led to believe that a favourable outcome was inevitable; that it had not been, and that this was disillusioning. I will not yield to the temptation to give a constructive, helpful answer now for fear of being guilty of the same thing.

I think the hon. member knows that in the current year we have, with some difficulty, endeavoured to restrain total government expenditures and have provided revised estimates within which we hope to be able to live. At a time during the current fiscal year of retrenchment, no provision has been made to meet the situation which the hon. gentleman has described. He will understand if, rather than raise false expectations about what might happen in the next fiscal year, I decline to go further. However, as a result of his interesting exposé, I will undertake to discuss this question with my colleagues.

The hon. member for Vancouver East raised the question of whether the government would avail itself of the 60 day delay provision in the legislation in respect of retroactive pay as a consequence of completed collective bargaining negotiations. The answer is no. As I assured another hon. member in the house the other day, we are making every effort, as fast as the administrative machinery can accomplish it, to put into the hands of recipients the cheques for retroactive pay. There will not be reliance on the so-called 60 day clause. We will do this as quickly as possible. I cannot promise more than that. The hon. gentleman would not want me to order the issuance of imaginary cheques or blank cheques. Calculations have to be made as to what is owing and to whom, and as rapidly as this can be done it is being done and the cheques are being issued.

Mr. Winch: Would that include the armed forces increases?

Mr. Drury: The armed forces, Mr. Chairman, are not subject to collective bargaining arrangements. The arrangements for pay in relation to the armed forces depend rather

more on the Department of National Defence for calculation rather than on the Treasury Board.

The hon. member for York South, who I am sorry is not here, spoke at some length on the question of the poor or invidious practices of the Treasury Board in conducting collective bargaining negotiations. He referred particularly to two questions; one was the unreasonableness of the Prime Minister and the President of the Treasury Board in announcing, during the currency of negotiations with the seaway workers, a 6 per cent ceiling on increases. Unfortunately for the hon. gentleman's memory the President of the Treasury Board took no part in these negotiations, nor did he make any announcement. The Minister of Transport, under whose department the seaway comes, did at one point make an announcement but the Treasury Board did not. For this reason one might have argued that the remarks of the hon. member for York South were out of order. But even if they had been in order, I am a little surprised, Mr. Chairman, at his logic in defining the actions of one of the parties in the collective bargaining process in making a public statement as to its bargaining position as being unreasonable and illogical, without at the same time requiring the other party to observe a similar line of conduct. At no time did he suggest that it was in any way wrong or inappropriate for members of the other party to the negotiations to seek the support of the public for their point of view or for their representations, however reasonable or unreasonable they might be.

• (8:40 p.m.)

It seems to me, Mr. Chairman, it is not in the spirit of what the hon. member for York South described as the give and take of the collective bargaining process to endeavour to impose complete freedom of action in relation to public-private negotiations, or in moving from one arena to the other, on the one side without at least a comparable freedom on the other. The hon. member complains it is wrong and unjust for the employer to state his position publicly while the bargaining is going on, yet it seems to be quite reasonable and logical for the employee side to go to the public with its case. I suggest that in this particular instance there should at least be some element of reciprocity observed in the conduct of negotiations.

The hon. member also dealt with the refusal of the government to put on the table a wage offer in the case of the postal workers. I think the house will recollect that after some very considerable delay an offer of a pay increase was made. This was somewhat summarily rejected and the strike followed.

The fact of the matter is, Mr. Chairman, that the negotiations had been going on for a very long while. During these negotiations there had been little evidence of the give and take that I suggest is of the essence of collective bargaining. Indeed, Mr. Chairman, it was the failure to make any kind of progress at all on some of the rather minor points that led Treasury Board to be dubious about the value of putting on the table at too early a stage a wage offer that undoubtedly, as subsequent events proved, would have been rejected.

I do not think that one can argue that there is a set timetable, a prescribed ritual, for the conduct of collective bargaining: it does depend on the relative willingness of the parties to engage in meaningful negotiations. If for one reason or another this willingness is absent, then perhaps going through a procedure or a series of procedures probably will not advance matters very much. However, Mr. Chairman, I did listen with great interest to his admonitions. If I may use that term. The hon. member has had a great deal of experience in this field, though perhaps on the one side. Certainly my own experience is very limited indeed, but I do profess myself willing to learn, or to try to learn.

The hon. member also made a point about red circling, and explained his complete inability to understand how it could come about that if a man were, on examination, found to have been entitled to an increase in pay for a year or so anterior to the date of such determination, the increase in pay is justified, whereas a simultaneous determination that the work the man was doing for the same period did not justify the rate of pay which he had been drawing and that the classification determination should not be made coterminous. I hope that the hon. member for York South will regard employment in the public service as the giving of a dollar's worth of value for a dollar of pay, rather than some notion that once you get on the payroll you are set for life; that regardless of performance, of the discharge of your responsibility, you are still entitled to continue to receive pay, and not only that, Mr. Chairman, but entitled to benefit from any increases that have probably been earned by others.

I find this a rather difficult philosophy to accept, Mr. Chairman. I think that most self-respecting public servants like to feel that they are working in a system where the reward or emolument is continuously commensurate with their performance. We have insisted on the merit system, which I think is an excellent one, rather than the system of seniority. We have engaged fairly continuously over the years in working toward the constant examination of classification and reclassification. During the past three years a rather more intense, massive and, if I may suggest this, rather more intelligent reclassification system has been in progress in which an endeavour has been made to introduce a coherent, continuous system throughout the public service so that everybody is treated fairly; so that we do not have instances where people, largely as a consequence of historical error, or habit, or perhaps persistence in initial mistakes, are being rewarded to an unfair degree compared with others discharging perhaps greater responsibilities and doing harder work who receive less pay.

Recognizing, Mr. Chairman, that this reclassification process would result in some people going up and some going down, the government, acting I think as a good employer, agreed that those who, by reason of reclassification, are found to be entitled to more pay receive this sum in the full amount immediately. On the other hand, those who upon re-examination of their duties and functions are found to be entitled to less pay are not required to suffer a decrease in pay but are merely put in a "hold" position and receive no increase in pay until such time as the emolument for the particular office they occupy reaches the level of salary that they are currently enjoying.

• (8:50 p.m.)

I should point out in respect to this red circling that there is a corollary known as green circling. Just as red is considered dangerous and unpleasant, so green is considered pleasant. Of the 82,000 odd positions which were evaluated or re-evaluated in the conversion, about 15,000 were red circled. That is quite a substantial number. As of September 15, 1968, the number of positions that were red circled had been reduced from 15,000 to 1,513. It may perhaps interest hon. members to know that although initially 15,000 persons were red circled, 18,000, coming under a similar general classification, were green circled. In total, more people were green circled, or reclassified upwards, than were red circled or reclassified downwards. This system has not led entirely to unhappiness.

I suggested that if as of October 1, the date mentioned by the hon. member for York South, it was determined that a man one year ago was entitled, in respect of his position, to an increase in emolyment it would not be unjust, since he is now doing the same work he did one year ago, to apply the reclassification to him in respect of his upward reassessment for that same period.

The hon. member for Peace River raised two questions, one of which strikes me as interesting. He said that the estimates in some fashion should be portrayed on a five year projection basis so as to enable hon. members to see more clearly the significance of individual items in the estimates. By dealing with items for the previous and current years only, that significance is not so obvious. I think the hon. member's suggestion, if adopted, would make for a much more lucid and descriptive portrayal of government programs. I am not sure what that would do to the blue book of estimates, which already is a massive tome. However I think this project is worthy of examination. Perhaps the most useful way of carrying this out would be in the public accounts committee. Later this evening I hope a proposal will be made that we revert to motions in order to introduce to the public accounts committee a new scheme for setting up estimates which will be vastly more informative, and certainly more descriptive than present arrangements. When the public accounts committee is looking at the program method of portraying estimates, it might also wish to look at the question of doing this on a five year rather than on a one year retroactive and one year prospective basis.

The hon. member for Peace River also said he was unhappy with the system of introducing large supplementary estimates. In his view this was some kind of breach of contract or breach of faith with the public or the house. He may be aware that up until a couple of years ago there was no serious endeavour to include in the estimates all possible and foreseeable items of expenditure during the year. The main estimates might in some cases have been more accurately described as preliminary estimates. In the past two years we have consciously tried to reduce in number and in quantum the size of supplementary estimates. Last year the number of sets of supplementary estimates was limited to three; this year one set of supplementaries has been introduced already, for special reasons, and it is my hope that there will be only

one further set of supplementary estimates in the current fiscal year, and that that will be the so-called final sup. If that is done we shall be better able than was the case in previous years to look at entire programs in terms of the main estimates. I think this approach will go a long way to meeting the objections of the hon. member for Peace River.

He also raised the question of loans, investments and advances, indicating that in some instances sums of money represented as loans, investments or advances could more honestly have been portrayed as grants or authorizations to expend in the current year. To a large extent this involves a question of accounting techniques and offers the house the continuing possibility of keeping a finger or a trained eye on the particular amount that is put out by way of loan, investment or advance. Even though the amount is unlikely to be repaid in the foreseeable future, this does mean that the receiving organization, be it a department, agency of government or crown corporation, continues to be accountable until such time as the loan, investment or advance is repaid or discharged. It continues to be accountable for this particular item.

On the other hand, if the amount in question were characterized as a grant or authorization for expenditure, the accountability in respect of the amount presumably would cease during the currency of the fiscal year in question. This is something we might look at and see whether in some instances sums provided by way of loans, investments or advances might more usefully and accurately be classified as grants or authorizations to expend.

I think I have covered most points raised in respect of these estimates, though I might add one observation in respect of some remarks made by the hon. member for York South about red circling and reclassification. I am told that the effective date of reclassification in almost every instance has been discussed with the bargaining units during the negotiating process. To suggest that the action taken by the government has been unilateral—I think he used the term "ukase"—is inaccurate. The retroactivity of the reclassification has been discussed with the bargaining units in most instances during the process of negotiation.

• (9:00 p.m.)

Mr. Knowles (Winnipeg North Centre): If I may, Mr. Chairman, I should like to return for a few moments to the question of the pensions of retired civil servants. I should like to thank the President of the Treasury Board for the remarks he made. I have no objection to the odd barb which seemed to be tucked in, because he did end his remarks on the subject by agreeing to discuss the matter again with his colleagues. If I understand that language, it means he will take it back to the cabinet. Well, that is what I want. I hope it will be soon. I hope it will be a sympathetic cabinet. I think I have one supporter just back over the minister's left shoulder.

Mr. Mackasey: Thank you, Stanley.

Mr. Drury: You have a lot of volunteers over here.

Mr. Knowles (Winnipeg North Centre): Yes. As a matter of fact there is the parliamentary secretary behind him who, if he were in the cabinet, would support my position and there is another down the way a few desks who is just knocking at the door, ready to say yes at any time and to act on this important issue. And there are some more around. They could be the hon. members from Hull, Grenville-Carleton, Ottawa-Carleton, Ottawa East, Ottawa West, Ottawa Centre and so on.

I am sorry if my suggestion that some of these retired civil servants felt they had been led down, or up, the garden path offended the minister. I can only say this is the way many of them feel. What these people would like, and what I should like, would be for the government to get back to the frame of mind that I honestly believe it was in from about January to June of 1967. I am glad to see the minister nodding his head. Whether that means he agrees with me that the government was in the proper mood then, or that it should get back into that mood, I am not sure. At any rate he has been very helpful. The fact is that, during those five or six months the government did agree to have this matter referred to the special committee. Representatives of all parties seemed to be free to discuss the matter, and officials from the departments were there, and when the report came back I think it was the disposition of the government to act on it forthwith, if it was a reasonable and responsible report. I believe it was both reasonable and responsible. I gave the terms of its recommendations earlier this afternoon, and I am sure they are familiar to the minister. I earnestly hope he will take this matter back to the cabinet, that he will remind the cabinet of the responsible terms of the 1967 recommendation, and that he will do his best to get favourable action on this issue without further delay.

When he was speaking a few minutes ago, the minister seemed to confirm that there was a change of government attitude—that in the earlier part of 1967 there was a favourable disposition to act on this matter, but that in the latter part of the year the government concluded that it was necessary to make certain cuts, that it was obliged to practise a certain amount of financial retrenchment. The minister intimated, if I understood him correctly, that the government had reduced its estimates and was trying to live within the confines of its revised estimates. I would remind him that the revised estimates are of course much larger than they were before they were revised. When these estimates are broken in so many respects, and when the figures are inflated in so many cases, I find it difficult to understand why these people should be called upon to be deprived of the pension increases to which they feel they are entitled, because of the so-called practice of economy. Every time the government announces that cuts are to be made and the budget balanced, the net result is the spending of more money. Yet these people who have a justifiable claim are told they have to wait.

If the minister is going to imply that increasing these pensions is somehow or other taxing the people of Canada, he will have to try to explain this to those pensioners who know there is about $3 billion in the fund, and that it is growing rapidly every year, because the interest alone represents more than is paid out in pensions, not to speak of the new contributions that is paid in.

I do not really profess to understand the mechanics, the financing, the economics of this, but I can follow the reasoning of people on the government side when they explain that this money has no existence except as figures in a book, and so on. But try to explain that to these people who worked for the government for 20, 30 or 35 years and who paid their money in—or, at least, they did not get it in their pay cheques. Try to explain to them that the money is not there, that it is just figures in a book and that they cannot get it, or a reasonable rate of interest on it, without there being a charge on the people of the country.

I know that all pensions are a charge on current production; I have proclaimed it many times. But the minister had better explain this to these people, and in ways that nobody else has yet been able to do satisfactorily. As they see it, the simple fact of the matter is that when they were working they were asked to take home, not 100 per cent of their pay but 93½ per cent or 95 per cent, whatever the rate was at the time. The balance went into some account, and interest was paid on it. In the meantime, other people got increases in the amounts they have to live on. Why could it not be done for these people? Indeed, if the government falls back on the argument that it is living within the confines of revised estimates, it does not wash as far as these people are concerned.

[Mr. Knowles (Winnipeg North Centre).]

However, I am grateful to the minister for saying he will take the matter back to cabinet. I am grateful for his not having disclaimed responsibility for the problem. I went through this in the last parliament: One minister passed the problem on to another. But the President of the Treasury Board does not mince matters; he has taken this under his responsibility. I hope he will take it back to the cabinet and remind his colleagues that in the early part of 1967 the government of the day was almost persuaded that this was a just cause and that something should be done about it. Let us get back into that reasonable frame of mind and do the right thing by these people who are former employees of the government and of the people of Canada.

There are one or two other things I should like to say. I am sorry that my hon. friend from York South is not here now. He was here earlier this evening, but he had to appear in a television interview. If we had television in here, instead of upstairs or outside, maybe this kind of thing would not happen. However he can speak for himself, and on the appropriate occasion I am sure he will deal with the points the minister raised, so I shall not attempt to cover that ground.

I should like to ask about a related subject. What is the status at the present time of the regulations regarding retroactive pay increases in the cases of employees who leave the public service in the meantime? As the President of the Treasury Board and his officials know, this relates to a grievance which those affected find hard to take. Let us put it in the simplest possible terms. Here is an employee who has worked for a number of years with the federal government. The time comes when for one reason or another he has to leave. Sometimes he goes to a better job, but it is not usually that. Usually it is for health reasons. After he leaves, a pay increase comes through and it is retroactive for months or for a year.

• (9:10 p.m.)

The employee looks at this and he sees there was a period of six, eight or nine months when he was working for the government doing a job which it is now recognized deserved a higher rate of pay for that six, eight or nine months. Yet, because he was not on strength on the day the retroactive pay increase was allowed, he is denied that increase for the period of retroactivity. I see the minister shaking his head. Perhaps he can straighten me out with his answer, but if his answer is not satisfactory I can send a few cases in point either to him or to his officials.

But before he answers that question, Mr. Chairman, may I ask him two other short questions. When we were dealing with the collective bargaining legislation in the committee a great deal of time was spent on the case of employees who are outside bargaining units. An undertaking was given that a committee would be set up, or an arrangement would be made under which employees outside bargaining units could have a relationship that would be as nearly as possible the equivalent of collective bargaining. Could the minister tell me whether anything has been done about that?

With respect to my final question, if the minister tells me to bring it up when we are on items having to do with legislation I will wait until he wears his other hat and brings the legislative items back to the committee. Another point we discussed in the parliamentary committee was the provision of collective bargaining for the employees on parliament hill, equivalent to that which obtains now in the public service. As a matter of fact, if I remember correctly our committee recommended that something along those lines should be done. Can the President of the Treasury Board tell me whether any progress has been made in this field? If I can get answers to these two or three questions I will not have any new ones to raise, although I may have some supplementaries depending on the replies of the minister.

Mr. Drury: In respect to the question of retroactive pay, the principle is that retroactive pay is paid to the man who has left the public service if the reasons for his leaving were involuntary. These might be health, retirement on account of age, and other reasons. I am not sure what all the reasons are, but if it is a voluntary separation at the choice of the individual, then he does not qualify for the retroactive payment.

Mr. Knowles (Winnipeg North Centre): I have a supplementary question right there. Supposing it is the health of an employee's wife that makes it necessary for him to leave a posting, let us say, in the far north. Would he qualify?

Mr. Drury: Well, Mr. Chairman, I suppose the term involuntary depends on where you sit. In so far as the employee is concerned whose wife's health is such as to make it impossible for him to continue in his particular job, then this is hardly voluntary on his part. I frankly do not know what the answer to that particular question is. I do know the principle is that in the case of voluntary withdrawal there is no entitlement to retroactive pay. Involuntary withdrawal does qualify the ex-employee for retroactive pay. The question the hon. member poses is a very interesting one. I do not know what the answer is but I shall make inquiries and let him know.

In relation to the second question raised by the hon. member concerning working conditions or terms of work for persons excluded from the bargaining units, I may say that the government has been very much preoccupied with the situation of these people and has established an advisory group on the executive composition of the civil service. As part of its terms of reference this advisory group was asked to make recommendations to the government on the principles that might be followed in determining the rates of pay and conditions of employment of public servants employed in a managerial or confidential capacity. As yet we have not received a report from this advisory group but we hope to do so reasonably shortly.

It is only when we get their report and we are able to see perhaps a little more pattern emerging from the process of collective bargaining that we will be in a better position to formulate principles to govern the terms and conditions of employment of persons excluded from the bargaining units.

Mr. Knowles (Winnipeg North Centre): Could the minister tell me who comprises this advisory group? I do not ask for the names of the persons, but rather their categories, whom they represent and so on?

Mr. Drury: I hope, Mr. Chairman, they represent talent rather than "whom." One is the head of a university. Another is the head of a large corporation. I shall just get my information on this and perhaps I can describe them, if the hon. gentleman does not want the names.

Mr. Knowles (Winnipeg North Centre): I do not mind getting the names. I just was not pressing for them if there was any reason why they should not be given.

Mr. Drury: They are Hon. J. V. Clyne, Vancouver; Dr. Deutsch, Kingston; Dr. Gaudry, Montreal; Allan Lambert, President of the Toronto-Dominion Bank, Toronto; Marcel Vincent, Montreal, Chairman of the Board of Bell Telephone Company.

Mr. Knowles (Winnipeg North Centre): While I am reflecting on that, perhaps the minister could answer the last question I asked him. It had to do with the possibility of collective bargaining for employees who work on parliament hill. When might we expect an answer on this matter?

Mr. Drury: Mr. Chairman, the hon. gentleman suggested that perhaps this might be dealt with under another heading, and I think that would be more appropriate. It would surely be slightly impertinent for the Treasury Board to hazard views on how the house, and particularly the Speaker, should conduct their business.

Mr. Lundrigan: Mr. Chairman, in 1949 when Canada joined Newfoundland there was some confusion as to the natural transition of people who worked with the Newfoundland civil service into the public service of Canada. Apparently there were quite a number of employees who worked with the then Newfoundland government and later under the Department of Transport at Gander who did not come under the public service jurisdiction, and consequently did not get credit for their previous employment. I know that for three years these people have been seeking recognition to be qualified as members of the public service, so that they may be given full credit for the years they worked in that particular aspect of aviation.

I could not say exactly how many are involved, but perhaps there are not more than 20. Some are ready for retirement, and some have already retired, but those who have retired are receiving pensions as much as $2,000 less than they would receive if they had qualified to be fully fledged civil servants from the time they began employment with the Department of Transport. Has Treasury Board received representations from these people? Will consideration be given to them? There are perhaps 20 families involved, and I have had a number of representations from them. It is my understanding that some negotiations have taken place with the government of Canada in order to give them some recognition.

• (9:20 p.m.)

Mr. Drury: I would be very surprised if representations either by or on behalf of these people had not been made. I am not aware of them, but I shall try to inform myself. I would, however, perhaps take issue mildly with the hon. gentleman when he talks about the government of Canada granting to these people their rights. It can be argued that a government of Canada pension under the superannuation act is earned by an individual on the basis of the contributions made by him and by the employer, and the size of his pension is determined by the size of the contributions and the period over which they have been made. People who make large contributions for a given period receive a larger superannuation than those who make a smaller contribution. Those who make a contribution over a long period would receive a larger superannuation allowance than those who make the same contribution over a shorter period.

In relation to the approximately 20 families mentioned by the hon. member, I would certainly hope that the pension they have received has been certainly no less than that which would have been received by someone making the same contribution while employed by the public service of Canada. However, to be quite frank I must say that I do not know the answer to this. I shall try to work it out.

Mr. Lundrigan: I have one further question. I agree that there has been a considerable amount of confusion concerning the status of the people to whom I am referring mainly because of the fact that at the time of the rather abrupt entrance of Newfoundland into confederation in 1949 the legal aspect of many of these problems was certainly not ironed out to the satisfaction of the people concerned. It is difficult to look with foresight at things which might materialize to one's advantage or disadvantage in respect of the people of Newfoundland. I would agree with the President of the Treasury Board that, legally speaking by the letter of the law, they are not getting gypped in any way by the government of Canada. However, because of the very difficult circumstances involved, I should like the opportunity to present the case for these people, so that perhaps some arrangements might be made whereby they could perhaps obtain on a pay back basis

what is morally their right under the present arrangements. Would the President of the Treasury Board agree to receive a representation by me on behalf of the people?

Mr. Drury: Mr. Chairman, I would be glad to read anything the hon. member sends me.

Mr. Lewis: Mr. Chairman, I am sorry I was unable to be here when the President of the Treasury Board commented I understand with some lucidity on my remarks earlier. The President of the Treasury Board said my remarks were lucid as well as acid. Lucid acid is still acid. I am sorry I was not here. My colleague, the hon. member for Winnipeg North Centre, indicated why unfortunately I had to leave, and he has given me what I am sure in his usual careful way is a correct summary of some of the things the President of the Treasury Board said. I should like to take two or three minutes, if I may, to comment on that. No doubt the President of the Treasury Board will correct me if I have misunderstood his comments.

First, I was glad to have the minister confirm the fact that there were some thousands—I understand he said 15,000 odd—public service employees who were red circled. I was not questioning the fact that there is value in reclassifying jobs. I was questioning the fact that it was done without consultation with the organization, and as I said earlier I was particularly outraged by the fact that some people did not receive their retroactive pay because the red circling was made retroactive in some cases for a full year. I could see no reason for that. It is neither my suggestion nor that of anyone else who has any knowledge of this thing that the jobs must remain in precisely the same relationship to each other, despite changes in the work load and work content; but I believe it is better labour relations not to make changes which affect thousands of people without consultation with their spokesmen.

If that suggestion appears to the President of the Treasury Board to be one sided, then I should tell him the comments which I understand he made were certainly not two sided; they were certainly the management view that it is entirely within management's power and authority to reclassify and readjust without consultation and without other people knowing what is being done.

Mr. Drury: I should point out to the hon. gentleman that I did say that the effective dates of reclassification have been the subject of discussion during the course of negotiations. This has not been done without consultation or unilaterally or by ukase.

Mr. Lewis: I am glad to have that assurance. All I can say to the President of the Treasury Board is that those who spoke for the employees at the negotiating tables were not under that impression. They were under the impression they were being told what the date was. They were informed of the date on which the red circling would become effective retroactively. If that is what the President of the Treasury Board means by discussion and consultation, then he and I had better look up a dictionary. If they were told the red circling would take effect on a certain day, some of them may not have protested, but in many cases they did. The representatives of the employees should have been asked for their comments. That is what I mean by consultation. I do not mean that he should sit down and tell them what he has decided to do. That is not discussion either. So far as my information is concerned that is all that happened.

I should like to know by what philosophy or social or moral thesis an employer has a right to make red circling retroactive. If I have worked a year in a certain class and you take unto yourself the power to change my class today, I suggest that is enough; but by what right do you take it within your power to tell me that in the past twelve months, even though I worked with the knowledge that I was in a certain class—not merely the impression but the knowledge—putatively, as we lawyers would say, I must be considered to have been in a lower class one year ago? On what basis do you place that kind of an imposition on an employee affected by red circling, and what purpose does it serve except to create bitterness and resentment, which is entirely justified?

This was the major point I drew to the attention of the President of the Treasury Board. I am told that that point was not answered and I should like to know what the answer is. It is bad enough for one to be told that his work is not worth as much as he thought it was in relation to the job—and I do not deny your right to say that. But by what right can you push someone back a whole year in that new lower classification? That is the major point.

The second point in respect of which I understand he said I was being one sided, because all my experience was one sided—it was, and I make no apology—was that concerning the employer having the right to state

his limits and the union having the right to state its demands. Surely the point is that in good labour relations in the government service one must forget that the government is a pretty important and pretty powerful agency.

• (9:30 p.m.)

In my experience in collective bargaining, and there are others in this chamber who have had experience, I cannot recall any case, in which I was involved, and I have been involved in thousands of them, when the president of a company went on television or on radio and said through that medium to his negotiators at the negotiating table and the public of Canada that he was not going to give more than "X" amount. He might do that after the negotiations have broken down, but I have not known the head of an ordinary private company, who has any sense about labour negotiations, doing that during negotiations. He sends his instructions to his negotiators.

When the employer of the public service, who is the governor and ultimately the public, does that in the course of negotiation—that is, gets on the public platform, along with the President of the Treasury Board—

Mr. Drury: I didn't.

Mr. Lewis: I beg your pardon; you did not?

Mr. Drury: It is terribly hard to compete with T.V. personalities today. I outlined all this.

Mr. Lewis: In any event, when the Prime Minister does that I suggest he is doing something which is not good for labour relations in the public service. If those are the instructions they should go to the government's negotiators at the negotiating table. When the Prime Minister makes such a statement to the people of Canada, who ultimately are the taxpayers out of whose money these salaries are paid, what does this do to those people and what does it do to postal and seaway employees vis-à-vis the people of Canada? I do not know whether this occurred at the same time, but the Prime Minister added something about squeezing a lemon, and that there is only so much juice in a lemon. He said he was not going to be a lemon, or something to that effect. What does this do to the negotiators on behalf of the government and the employees, vis-à-vis the public of Canada? If I were one of the employees affected I would make a devil of a lot of noise

if the Prime Minister did that during negotiations which my representatives were attempting to carry out. There is no need for this. There is no need to create public opinion which impinges on postal and seaway employes, putting them under the gun in that way.

The government has negotiators at the negotiating table. It should send them its instructions, and they will pass them on to the negotiating committee of the workers concerned. Surely that is the way to carry on negotiations. No matter what the President of the Treasury Board may say, this is a ukase when it is stated by the Prime Minister with all the power and knowledge the government has in relation to everybody concerned in the bargaining process, particularly during an election campaign. The President of the Treasury Board or his colleagues cannot tell me that is legitimate bargaining, as the law puts it, in good faith. If that is so, then I should like to know what bad faith in bargaining is. I repeat the warning I gave earlier: If this is the road that is to be followed, there is going to be a great deal more trouble in the future than we have had in the past.

Item agreed to.

5. Contingencies—Subject to the approval of the Treasury Board, to supplement other votes for paylist and other requirements and to provide for miscellaneous minor and unforeseen expenses not otherwise provided for including awards under the Public Servants Inventions Act, and authority to re-use any sums allotted for non-paylist requirements and repaid to this appropriation from other appropriations, $70,000,000.

Mr. Hales: Mr. Chairman, I have one or two things to say about this contingency fund. It is only right that we should ask the President of the Treasury Board a few questions about this blank cheque for $70 million, representing an increase from $45 million, that he is asking us to give. We have a few fond memories about this contingency or slush fund which covers the waterfront and takes in almost everything. We recall one time when we were dealing with interim supply in this house, which was not granted as soon as the government thought it should have been. The government went to work on this fund and found enough money to pay the bills and take this club away from the opposition. We have not forgotten that. The minister should explain the purpose of this fund to the house.

As I suggest, this covers the waterfront. It says, for instance it can be used, subject to

the approval of the Treasury Board, to supplement other votes for pay lists. In other words, if there is some increase in pay in different departments this fund will presumably take care of them. It is my thought that if a department estimates its expenditures for salaries and does not estimate them correctly, it should come back to the house and ask for a supplementary amount so that parliament will know the use to which the money is supposed to be put.

The item also suggests that this fund can be used for other requirements and to provide for miscellaneous, minor and unforeseen expenses. That is about as broad as it could be. Why do we not just say that it is to cover everything, instead of trying to dress it up with a whole lot of fancy words? This is as wide and as open as the sky. It refers to unforeseen expenses not otherwise provided for, including awards under the Public Servants Inventions Act. I am not too familiar with that act and I think the minister should tell us what it is all about. The item refers also to an authority to re-use any sums allotted for non-paylists. In other words, this includes anything that has nothing to do with salaries but has been allotted in the estimates, not used and repaid into this contingency fund. As I understand it this refers to all the departments of government, not just the Treasury Board. It refers to any estimates that had been passed in the house other than for salaries, which have not been used. They can be put back into this contingency fund and the Treasury Board has a blank cheque to use this for anything they decide. This is a very important vote and parliament should know what it is passing in respect of this $70 million.

Mr. Drury: Mr. Chairman, as the hon. gentleman has indicated, the principal amount to be granted in this vote is to cover expected, although undetermined salary increases as a consequence of bargaining negotiations now taking place. The hon. gentleman will realize that we are now in full swing of negotiations. All of these negotiations or agreements have resulted in over-all increases in wages and salaries. In order to avoid indicating in advance of the bargaining process what one might describe as the final offer, which in respect of the government service has not yet been done either publicly or privately, the amount is put into the contingency fund with the understanding that in the final supplementary estimates the amounts required to meet the salary increases arising out of collective bargaining agreements, which may have been concluded by then, will be made up in the final supplementary estimates. This accounts for the bulk of the amount.

• (9:40 p.m.)

As the hon. gentleman has indicated, there are a number of paylist items. I have examples of that kind of thing for the previous year. It is impossible to say what unforeseen contingencies will occur in a current fiscal year. Equally it is a little difficult to say what precisely, and of what value, will be the inventions made by people in the public service during the course of the fiscal year.

Mr. Hales: Would the minister mind running down that list and giving us, not the amounts of money but the headings under which those amounts were paid out?

Mr. Drury: Does the hon. member mean the non-pay list?

Mr. Hales: Yes, Mr. Chairman.

Mr. Drury: The 1967-68 list runs to quite a few items. June 27, 1967, payments to eligible milk producers, $209; construction of road through Kapuskasing experimental farm, $10,000; payment to owners of crops destroyed by the Golden Nematode, $60,600; funds to the Canadian Dairy Commission for the payment of audit fees, $30,000. Those are some items in the Department of Agriculture. Then under the heading of chief electoral officer we have $2,500 for commissionaire services and travelling expenses. Under the relatively new Department of Consumer and Corporate Affairs we have expenses of the task force on Canada Corporations Act, $152,400; expenses of task force on securities, $46,500; federal government's share of committee on mutual funds and investments contracts, $142,525; expenses of consumer affairs branch, $175,000. These are the kind of items that are on this list.

Under the heading of Energy, Mines and Resources there is the item for expenses of Canadian steering committee of international association on water pollution, $5,000; expenses of Crow's Nest industries team to world series of safety competitions, $2,000. Under the heading of External Affairs there is the item, protection of diplomatic property in Canada, $75,000. The hon. gentlemen will recollect that some damage was caused to the premises of the diplomatic mission here, an occurrence which understandably cannot be

foreseen before the year begins. Next we have purchase of Beaver aircraft for assistance to Middle East refugees, $139,000. Then, there is the study of external aid programs, $50,000; Italian earthquake relief, $100,000. Under the Department of Fisheries we have the item for fishing vessel construction subsidies, $300,000. It will be recollected that the rate at which fishermen availed themselves of this offer of a subsidy turned out to be higher than forecast.

Under the heading of the Canadian livestock feed board there is the item for general administration expenses, $30,000. Under the heading of Indian Affairs and Northern Development there is forest fire fighting in Yukon, $130,000, and grant to commissioner of Northwest Territories in establishing new government in Yellowknife, $175,000. Under the Department of Labour there is the item for allowances and expenses of conciliation boards and industrial inquiry commissions, $30,000. Under the heading of the Senate there is the item for the expenses of the Senate committee, $115,000, on two separate occasions. Under the House of Commons, December 14, 1967 there is the item for additional funds for publishing debates, $240,000. Under Manpower and Immigration there is the item of operating grants to the provinces under the former technical and vocational training agreements, $11 million.

I have a few more pages of these items but I think what I read gives an indication of the nature of these non-pay list items.

Mr. Hales: Mr. Chairman, it certainly gives us an idea of what goes on. I do not think one could call more than a third of these items emergency or contingency items. Many of them should be estimates under the department, such as for instance audit fees in the Department of Agriculture, chief electoral officer, purchase of Beaver aircraft, livestock feed board, new government at Yellowknife, and House of Commons debates. All these are more or less permanent items, could have been foreseen and should have been in the estimates for these various departments. I do not think we can call all of these contingencies. The minister did read out some that were contingencies, and I am sure hon. members would agree to that; but, goodness knows, this account is not being used for what it was set up for.

I hope the day will come when we will have a committee of this house, whether it is the public accounts committee or a part of the Treasury Board, where members of parliament will agree to these expenditures before they are approved. The way it is now, parliament leaves these decisions in the hands of Treasury Board, and who does Treasury Board consist of but the five ministers on the front benches? The opposition has nothing to say about it, and the money is spent and gone. This house needs a committee where members from all parties would sit down and deal with these contingencies. Believe me, a lot of these contingencies would be wiped out and there would be proper estimating if we had such a committee.

Mr. Bigg: Mr. Chairman, I was a member of the public accounts committee at the time of the pay scandal—that is the only word I can use for it—and it is then I believe that I invented the phrase "slush fund", because that is all this fund was at that time. It amounted to $45 million, and I was assured by the then president of the Treasury Board that this would never occur again, and that it was an accident. The government of that time found the money in the slush fund and thus frustrated parliament. Parliament thought that its members had the traditional right of denying Her Majesty supply, but what in fact happened was that the different departments got together and found $100,000 here and $100,000 there, and if my memory serves me correctly over $2 million was found by accident with which to pay the civil servants of Canada. In this way the opposition was not able to bring forcibly to the attention of the nation the scandalous way in which our finances were being managed. Now we are asked to vote some $70 million, which is very close to double the amount the government had a few years back when this trouble occurred.

Unless I miss my guess, with the $70 million the government will have a great deal more leeway than it had with the $45 million. By carelessly voting $45 million we frustrated ourselves in our right to criticize the government and all its departments. We discussed this very thoroughly in the public accounts committee and we decided to try to plug this hole. We even asked the officials of the departments for their advice on how this sort of thing could be stopped so that it could never occur again. Now I am astounded to see that our recommendation, which were very strong at that time, that no $45 million of unmarked money should be left lying around for such a contingency, has been completely disregarded

and that we are asked for some $70 million to be paid into exactly the same kind of fund.

For fear that what I say may sound like nothing but criticism I have a suggestion to make, namely that none of this money be allowed to spill over to allow the government of the day to get out of the hole. If we are in fact putting money in which has already been spent, and this is only a general fund to cover up legitimate expenses in individual departments, such as fire fighting costs and costs for refitting of ships and a setting up of a new government for the Northwest Territories, that is fine and dandy; but we want to be assured here and now that this fund will not again be abused as it was before. Apparently the promises of Treasury Board are not enough, because I suspect that if we approve this $70 million without receiving some assurance from Treasury Board that this fund will not be abused, we will have a repetition of the trouble we had once before, but with nearly twice as much money with which to play around.

I wonder if the minister would assure me that he will do all he can to see that this particular abuse of our trust in the financial administration of this country will not be used as a club over the heads of the opposition, and indeed over parliament itself.

• (9:50 p.m.)

Mr. Drury: It is quite difficult to answer that, Mr. Chairman. I do not believe I can accept the statement that the government has abused the trust of parliament in the use of this particular fund. If I gave that assurance, it would be implied that the trust was used as a club with which to beat parliament on some previous occasion. If it is quite clear there has not been any such previous occasion, I am quite prepared to do all I can to see that this contingency fund is not employed as an abusive trust, nor will it be employed as a club with which to beat parliament.

Mr. Bigg: I think the answer is not too difficult to give. Suppose there are 20 departments that need some type of contingency fund, then I am quite willing to vote them a percentage of, say, 10 per cent of their yearly appropriation for this purpose. However, I am not prepared to see the fund spill over into other departments and used in a way to frustrate parliament when it comes to voting supply. This fund should not be used for paying civil servants or for other departmental purposes. If there is an over-appropriation, then that amount should go back into the consolidated revenue fund or perhaps used as a general contingency fund.

However, the contingency fund should not be used to get the government out of a bind. The government sometimes finds money which we did not know about, which we did not vote for a particular purpose, and they pull it out of a hat, like a magician at a sideshow. Then the government says to parliament, "Ha ha, we have the money; there is no point in continuing the supply debate. We have paid the civil servants"—or the mounted police, as the case may be. In this way the historical right of the opposition to question the government about spending money is frustrated. We are not able to discuss the estimates of every department in parliament. The time allotted to the supply debate runs out and we are probably able to discuss only five departments a year. Perhaps on the last supply vote of the year we are able to refer to certain things which we believe are abuses, and bring them forcibly to the attention of the government by means of a long debate. If this opportunity is going to be taken away by frustrating the opposition's right to grant supply, then I feel parliament is being frustrated. I think it is the duty of Treasury Board and the government as well to put this voluntary check on their own abuses. It is not a question of whether or not there are abuses. Naturally we trust the government to do its best, but they have made mistakes from time to time.

If our system of party government has any value at all, then it lies in the fact that the opposition is able to bring forward what they believe is an abuse. It is not yet treason in Canada to criticize the goverment; it is our duty.

The Chairman: Shall vote 5 carry?

Some hon. Members: On division.

Item agreed to.

10. Government's share of surgical-medical insurance premiums and 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, to the Unemployment Insurance Fund in respect of Government employees paid through the Central Pay Office and to the Hospital Insurance (Outside Canada) Plan, $14,994,000.

Item agreed to.

The Chairman: Shall we now proceed to the estimates of the Department of Labour?

Mr. Knowles (Winnipeg North Centre): Ten o'clock, Mr. Chairman.

Proceedings on Adjournment Motion

Mr. Mackasey: I think the house leader indicated earlier in the evening that he would like to revert to motions. Perhaps in view of the lateness of the hour I could deal with my estimates on Thursday.

Resolutions adopted in committee of supply this day reported and concurred in.

THE ESTIMATES

TABLING OF SAMPLE OF NEW FORM— REFERENCE TO PUBLIC ACCOUNTS COMMITTEE

Hon. Donald S. Macdonald (President of the Privy Council): I wonder if I could have leave of the house to revert to motions for the purpose of making a statement with regard to the new form of the estimates?

Mr. Deputy Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Macdonald (Rosedale): The house will recall that during the recent debate in committee of supply, the President of the Treasury Board mentioned that the government was developing a new form for the estimates designed to provide a proper basis for discussing the government's expenditure plans. I should like now to ask leave of the house to table copies in English and in French of a sample booklet to illustrate this suggested new form of the estimates. In order to show the proposed new form we have used the Department of Indian Affairs and Northern Development, the Department of Insurance and the Department of the Solicitor General.

Mr. Deputy Speaker: Does the minister have leave to table the booklet?

Some hon. Members: Agreed.

Mr. Macdonald (Rosedale): Consultations have taken place which lead me to believe there might be unanimous agreement to a motion along the following lines, which I should like to move:

That a sample booklet illustrating the new form of the estimates be referred to the standing committee on public accounts for examination and report to the house.

Motion agreed to.

BUSINESS OF THE HOUSE

Mr. Macdonald (Rosedale): As my final selection this evening, Mr. Speaker, perhaps I might just give the business of the house for the balance of the week. Tomorrow, as indicated by my colleague the Minister of Manpower and Immigration last Thursday, we will commence with the resumed debate on the Customs Tariff resolution. We hope, by leave of the house, to proceed to the advanced stages of the bill founded upon that resolution. On Wednesday, we will return to committee of supply and there consider the estimates of the Department of Justice. On Thursday, we would again be in committee of supply when we would have the opportunity of listening to the speech of my colleague, the Minister of Labour, followed by a consideration of the labour estimates. On Friday, we will again be in committee of supply when we will deal with the estimates of the Department of Transport.

• (10:00 p.m.)

[*Translation*]

PROCEEDINGS ON ADJOURNMENT MOTION

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

PUBLIC WORKS—MONTMAGNY, QUE.— REQUEST FOR DREDGING

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I thank you for having taken into consideration the question I asked some time ago with regard to a problem concerning my riding, and more particularly the people of Île-aux-Grues and the town of Montmagny.

Is is about a wharf, the Montmagny Wharf built a number of years ago, thanks to the contribution of both the government and a private enterprise. At that time, the wharf was meeting the needs of the population and was capable of promoting the economic development of the area.

Opposite the city of Montmagny there is an island inhabited by good citizens, 90 per cent of them farmers, especially potato growers and milk producers. The only useful means of communication between Île-aux-Grues and the city of Montmagny is by boat.

But for some years now, the situation has been worsening. The channel leading to the wharf at Montmagny, which is commonly called the dock channel, is so full of sand and mud that this fall, even at high tide, the ship that plies between Île-aux-Grues, the big island and the city of Montmagny had a hard time docking, often damaging its engine. In fact, the owner, Mr. Lavoie, is wondering if he will be able much longer to

carry the produce, the mail and the people who have to keep in touch with the rest of the province and the country. In short, the people have the right to live on that island and they are also entitled to the services which are normal in 1968 with regard to communications, health, etc.

The government authorities in Ottawa have been aware of that problem for a number of years now because, during the week, a special meeting took place between the city council of Montmagny and the intermediate bodies. Of course, I was invited to take part in that study in order to submit the problem once again to Ottawa and to try to convince the authorities of the urgency of doing something.

Studies were made two, three or four years ago, and estimates were prepared by engineers. According to present day files, it seems that it would cost approximately half a million dollars to dredge the channel and give the ships access to the wharf, thus facilitating navigation and communications.

I feel that, even though it should not be extremely profitable or advantageous for the government, something should be done to help that area of the province of Quebec, if not to develop further at least to maintain itself economically.

Mr. Speaker, it is common knowledge that the lower St. Lawrence, from Montmagny down, has numerous economic difficulties. All the governments, co-operate in trying to maintain an interesting and decent standard of living, as well as agricultural and industrial organizations with a view to encouraging the people to stay in that beautiful part of our country. I insist on this and I shall continue to insist, because it is my duty. It is not an election commitment because, before the elections, a questionnaire had been submitted to me in order to know my ideas on the subject and I deliberately omitted to reply, in order not to give the impression that I promised to solve problems which I did not understand. I did not want to enter into any commitment, but today I am their spokesman in the house and since I understand their problems better, it is my duty to try to work with the government in order to find solutions which will be beneficial, valuable and lasting.

There is another aspect to the problem which must be remembered, and that is that a great many migratory birds come to l'Île-aux-Grues in the autumn. The hunting season attracts many tourists to the island and is an important source of revenue for the people. However, because navigation is difficult, there are fewer hunters each year, and therefore less profit to be made. In my opinion, taking into consideration all those problems concerning l'Île-aux-Grues and the town of Montmagny, it would be in the national interest to take the steps necessary to solve them as soon as possible, so that the people do not feel neglected. They should be given the same help as is given elsewhere. This is not always economically sound but it is necessary from the humanitarian point of vue.

It has been my good fortune recently to visit another country and I have seen to my amazement some places where—

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the hon. member for Bellechase (Mr. Lambert) has raised a problem which is certainly very important for his riding. Therefore, I can assure him that in the absence of the minister and of his parilamentary secretary (Messrs. Laing and Langlois), I have taken note of his remarks which will be brought to the minister's attention as soon as possible, so that he may follow up the matter, if it is deemed advisable.

[*English*]

PUBLIC SERVICE—CONSIDERATION OF COMMITTEE REPORT RESPECTING PENSIONS OF SUPERANNUATED CIVIL SERVANTS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Thursday, November 7, as reported in *Hansard* at page 2520, I asked the Minister of Finance or the government house leader if arrangements could be made so that there would be time for the house to consider and concur in the report of the special joint committee which was tabled in the house on May 8, 1967. That was the report of the special joint committee on the Public Service of Canada and it was the report that recommended increases in the pensions of retired civil servants.

The Minister of Finance indicated that, in his view, there were technical difficulties in concurring in the report of a committee made to a previous parliament. As a result of that I endeavoured to help the government by proposing the next day, on Friday, November 8, a motion to take that report into review during the present session. I presented that motion on Friday, November 8, as reported in *Hansard* at page 2567. There was not the necessary unanimous consent, so the motion was not allowed. In stating his objection the President of the Privy Council said that there

would be opportunities during the current session to deal with that report.

When I posted this matter for one of these adjournment debates I did not realize it would come at the end of a day on which we have had a fair amount of discussion on the whole question of pensions of retired civil servants. Although we did not reach any conclusion that might be called satisfactory during our discussions today I was happy that the President of the Treasury Board agreed that the matter could and should be discussed again by the cabinet.

• (10:10 p.m.)

Perhaps I should leave it there instead of pressing my questions of November 7 and 8. Perhaps I should simply ask the Parliamentary Secretary to the Minister of Finance (Mr. Gray) if he will confirm the statement that the matter will be discussed in cabinet. I know he is not in the cabinet, but I also know he is close to the Minister of Finance (Mr. Benson) and if he will just let the Minister of Finance know that this commitment has been made by the President of the Treasury Board (Mr. Drury) and express the hope that consideration will be given at an early date, that will be a measure of progress.

I should like the parliamentary secretary likewise to urge on the government the validity of the suggestion I made on November 7 and 8, namely that the report of the special joint committee be brought before parliament this session so that members of the House of Commons might express their opinions on it. I do not think a lengthy debate would be necessary and I believe a vote for it would be unanimous. My hope is that if we can take this step we can get back to the mood that I think the government was in between January and June of 1967 and get action on this matter at an early date.

I am glad to see the parliamentary secretary to the Minister of Finance here to answer the question tonight. I hope he will give us the best answer he can, and that at least he will give us an assurance that he will endeavour to see that his minister takes part in the discussion of this matter in cabinet, and also that he will do his best to get an opportunity for the house to express its view, which I am sure will be unanimous, that the time has come to provide these increases in the pensions of our federal superannuates, without any further delay.

Mr. H. W. Gray (Parliamentary Secretary to Minister of Finance): I will be pleased to draw the attention of the Minister of Finance (Mr. Benson) not only to the remarks of the hon. member who has just spoken but more particularly to the remarks of the President of the Treasury Board (Mr. Drury) during the debate on the estimates of his department, which has just concluded. What the President of the Treasury Board said during this discussion will, of course, be on record in *Hansard* and will speak for itself.

RURAL DEVELOPMENT—PROPOSED CENTRALIZATION OF ATLANTIC REGION PEOPLE

Mr. John Lundrigan (Gander-Twillingate): Some time ago, on November 7 to be precise, I asked the Minister of Forestry and Rural Development (Mr. Marchand) to give us some indication whether the government was actively studying the sociological and economic circumstances surrounding the centralization of the people of the Atlantic region.

My question arose out of the statement of the minister in Halifax to the effect that we must look to regional interests but we must not confuse this with being parochial; regional development did not mean there would be more jobs in every county, a new plant at every crossroad or a new wharf in every harbour. The minister went on to indicate that the countryside is losing people and that many villages and small towns are declining in population. He went on further to infer that people would be expected to migrate. The whole inference of this was that the department had made plans for the centralization of the people of the Atlantic region.

A few days earlier, the Minister of Fisheries (Mr. Davis) referred to the fact that some 8,000 people would be centralized under a resettlement plan in Newfoundland. That is, 15 per cent of the people of Newfoundland would be brought from small rural communities to urban communities within the next ten years. As a matter of fact on Friday, November 15, one of our local newspapers in a commentary indicated that centralization is probably the biggest single issue the province has had to grapple with at any time in modern history. It said it can mean the future progress and stability of the province or its economic and social ruin. That editorial was entitled, "Don't Play With People."

An eminent Canadian author has characterized the decentralization carried on by the federal and provincial governments as the concentration of people into concentration camps before they move to Toronto.

The reason I pose my question to the minister, and would like a statement from

him concerning the government's philosophy on resettlement and centralization, is that in actual fact I think the government has no philosophy. Perhaps I should direct my question to the premier of Newfoundland.

This is an important matter of urbanization, centralization, relocation and resettlement, particularly of the people in Newfoundland and of people in the Atlantic region generally. I am not one bit against centralization. I am not against any changes designed by any government, municipal, federal or provincial, to improve the lot of people, provided those changes follow some kind of philosophy, some kind of plan, some kind of program, and provided the alternatives have been investigated. My contention is that 8,000 people have been moved, and 80,000 more people are to be moved in Newfoundland without this program being based on any philosophy, plan or policy. I could quote at length from a report investigating the urbanization or relocation of people in Newfoundland, a report commissioned by the federal government.

At page 15 of the report it is pointed out that it would seem the government adopts a policy of hands off, refusing to offer advice to those being moved lest it be held responsible for any unforeseen difficulties that might arise. It does not inquire into the reasons why people should move. The report goes into detail and indicates that people have been moved from slow growth centres to no growth centres. It indicates that housing has been a major problem for people with large families. It indicates that unemployment has resulted. It indicates that elderly people have been forced to relocate in areas where they are virtually faced with starvation.

The report contends that the government has been dealing with the benefits accruing to young people from the program, with no regard given to the problems faced by the adult segment of the population resulting from relocation. The government has a narrow concept of centralization. It intimates that the government has literally been playing checkers with people, expecting people to leave a sinking ship and jump into the raging Atlantic.

It is heartbreaking to study many of the problems faced by people who have been relocated in Newfoundland. As a result of relocation now we have the man without a home as compared to the man with a home, the man Edward Markham and Millais painted and wrote about.

I am asking the government for a statement of its philosophy. I am asking it to take a closer look at what it is doing with people, because centralization is not the sole solution for many of the problems of rural Atlantic Canada. I am asking the government to inform the people of the Atlantic region, in fact of all regions in Canada whether west or east, what its policies are in this matter.

We have had instances where people have been moved to a new location and found they could not afford to buy houses. People get $1,000 to move and $200 per child, and sometimes they are moved into areas where the cost of living for them has increased fivefold. When the government moves people I ask it to consider the humanist aspects involved and not just the economic aspects.

I think the minister in charge of rural development has a clear concept of what is involved. I am convinced of this from reading his statements in the maritimes. All I am asking is that the Minister of Fisheries (Mr. Davis), who now has responsibility for the program, and the minister in charge of regional development, get their heads together along, with provincial officials, and indicate to the people of Canada what their philosophy is. Right now there seems to be no philosophy, and what does appear is tragedy for a good number of people in many regions of Canada.

• (10:20 p.m.)

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I believe the hon. member for Gander-Twillingate knows the reason the Minister of Forestry and Rural Development is not here to answer the hon. member's question concerning the proposed centralization of the people of Newfoundland and the whole Atlantic region. The hon. member may be assured, however, that I shall bring this to the attention of the minister tomorrow. The minister may see fit to give him a written answer.

Mr. Deputy Speaker: Order. Pursuant to provisional standing order 39A the motion to adjourn the house is now deemed to be adopted. Accordingly this house stands adjourned until tomorrow at 2.30 p.m.

Motion agreed to and the house adjourned at 10.22 p.m.

[The following items were passed in Committee of Supply this day:]

DEPARTMENT OF FINANCE
50, L30.

TREASURY BOARD
1, 5, 10.

APPENDIX

NATO COMMUNIQUÉ FOLLOWING MINISTERIAL MEETING

1. The North Atlantic Council met in ministerial session in Brussels on 15th and 16th November. The meeting was attended by foreign, defence and finance ministers. The council had moved forward from mid-December its normal year-end meeting so that ministers might discuss at an earlier date the serious situation following the armed intervention in Czechoslovakia and the occupation of that country by forces of the Soviet union and of four of its Warsaw pact allies.

2. Ministers reaffirmed the inviolability of the principle, which has been invoked on numerous occasions by every country, including the USSR, that all nations are independent and that consequently any intervention by one state in the affairs of another is unlawful.

They noted that this principle has been deliberately violated by the Soviet leaders with the backing of four of their allies. World opinion has been profoundly shocked by this armed intervention carried out against the wishes of the government and people of Czechoslovakia. All the members of the alliance have denounced this use of force which jeopardises peace and international order and strikes at the principles of the United Nations charter. Like all other peoples, the people of Czechoslovakia must be free to shape their future without outside interference. Agreements concluded under the pressure of occupying forces can provide no justification for challenging this basic concept.

3. The contention of the Soviet leadership that there exists a right of intervention in the affairs of other states deemed to be within a so-called "Socialist commonwealth" runs counter to the basic principles of the United Nations charter, is dangerous to European security and has inevitably aroused grave anxieties. It gives rise to fears of a further use of force in other cases.

The use of force and the stationing in Czechoslovakia of Soviet forces not hitherto deployed there have aroused grave uncertainty about the situation and about the calculations and intentions of the USSR. This uncertainty demands great vigilance on the part of the allies.

4. Applied to Germany the policies which the USSR derives from its doctrine of a so-called "Socialist commonwealth" raise new obstacles to the rapprochement and ultimate unification of the two parts of Germany. Moreover, they would be contrary to the letter and spirit of the four power agreements relating to Germany as a whole.

In this situation, and bearing in mind the special responsibilities of the United States, the United Kingdom and France, the ministers reaffirm the determination of the alliance to persevere in its efforts to contribute to a peaceful solution of the Germany question based on the free decision of the German people and on the interests of European security. Their governments do not recognize the "GDR", and they reject all claims which would tend to perpetuate the division of Germany against the will of the German people.

Referring to their communiqué issued in Reykjavik on 25th June, 1968, the ministers confirm the support of their governments for the declared determination of the three powers to safeguard Berlin's security and to maintain freedom of access to the city. They recall the declaration of the North Atlantic Council of December 16, 1958 on Berlin and the responsibilities which each member state assumed with regard to the security and welfare of Berlin. They note with satisfaction the important measures taken by the Federal Republic of Germany in conformity with the status of Berlin for the purpose of maintaining the viability of the city. They associate themselves with the position of the three powers as regard the legitimate concern of the federal government for the welfare and viability of Berlin and as regards the resulting ties which exist between the two on the basis of the arrangements in force.

The ministers associate themselves with the call made upon the Soviet union by the three powers to respect the quadripartite agreements concerning Berlin and the decisions taken pursuant to these agreements by the United States, France and the United Kingdom.

5. The new uncertainties resulting from recent Soviet actions also extend to the Mediterranean basin. This situation requires that the allies continue by every available means their efforts to promote stability and a just and equitable peace, as well as mutual cooperation and understanding, in the area. The

expansion of Soviet activity in the Mediterranean, including the increased presence of Soviet naval units, requires vigilance to safeguard allied security.

6. The members of the alliance urge the Soviet union, in the interests of world peace, to refrain from using force and interfering in the affairs of other states.

Determined to safeguard the freedom and independence of their countries, they could not remain indifferent to any development which endangers their security.

Clearly any Soviet intervention directly or indirectly affecting the situation in Europe or in the Mediterranean would create an international crisis with grave consequences.

7. So long as the Soviet leaders adhere to a policy of force, these new uncertainties will remain. The allies are convinced that their political solidarity remains indispensable to discourage aggression and other forms of oppression. Above all, they stand wholly determined to meet their common reponsibilities and, in accordance with the North Atlantic Treaty, to defend the members of the alliance against any armed attack.

8. The allies participating in NATO's integrated defence programme have, therefore, been obliged to reassess the state of their defences. They consider that the situation arising from recent events calls for a collective response. The quality, effectiveness, and deployment of NATO's forces will be improved in terms of both manpower and equipment in order to provide a better capability for defence as far forward as possible. The quality to reserve forces will also be improved and their ability to mobilise rapidly will be increased. Renewed attention will be directed to the provision of reinforcements for the flanks and the strengthening of local forces there. The conventional capability of NATO's tactical air forces will be increased. Certain additional national units will be committed to the major NATO commanders. Specific measures have been approved within these categories of action for improving the conventional capability of NATO's forces. Ministers agreed that the co-ordinated implementation of these measures and the provision of additional budgetary resources to the extent necessary to support them would form part of the NATO force plan for 1969-1973 which will be submitted in January 1969. They also acknowledged that the solidarity of the alliance can be strengthened by co-operation between members to alleviate burdens arising from balance of payments deficits resulting specifically from military expenditures for the collective defence.

9. A year ago ministers affirmed in the report on the future tasks of the alliance that, while maintaining adequate military strength and political solidarity to deter any aggressor, the alliance should work to promote a policy of détente. The Soviet intervention in Czechoslovakia has seriously set back hopes of settling the outstanding problems which still divide the European continent and Germany and of establishing peace and security in Europe, and threatens certain of the results already achieved in the field of détente. Indeed, in view of the action of the five members of the Warsaw pact, the scope and level of allied contacts with them have had to be reduced.

10. More specifically, prospects for mutual balanced force reductions have suffered a severe set back. Nevertheless, the allies in close consultation are continuing their studies and preparations for a time when the atmosphere for fruitful discussions is more favourable.

11. In any event, consistent with western values the political goal remains that of secure, peaceful and mutually beneficial relations between east and west. The allies are determined to pursue this goal, bearing in mind that the pursuit of détente must not be allowed to split the alliance. The search for peace requires progress, consistent with western security, in the vital fields of disarmament and arms control and continuing efforts to resolve the fundamental issues which divide east and west.

12. The North Atlantic Alliance will continue to stand as the indispensable guarantor of security and the essential foundation for the pursuit of European reconciliation. By its constitution the alliance is of indefinite duration. Recent events have further demonstrated that its continued existence is more than ever necessary. The foreign minister of France recalled that, for its part, unless events in the years to come were to bring about a radical change in east-west relations, the French government considers that the alliance must continue as long as it appears to be necessary.

13. The next ministerial meeting of the council will be held in Washington on 10th and 11th April, 1969.

14. The defence planning committee which met in ministerial session on 14th November will hold its next ministerial meeting in Brussels on 16th January, 1969.

HOUSE OF COMMONS

Tuesday, November 19, 1968

The house met at 2.30 p.m.

[*Translation*]

FISHERIES AND FORESTRY

Second report in French and in English of standing committee on fisheries and forestry—Mr. Crossman.

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

CANADA LABOUR STANDARDS CODE

AMENDMENT RESTRICTING APPLICATION TO PHYSICAL MOVEMENT

Mr. Fernand E. Leblanc (Laurier) moved for leave to introduce Bill No. C-130, an Act to amend the Canada Labour (Standards) Code (Application restricted to physical movement).

Some hon. Members: Explain.

Mr. Leblanc (Laurier): Mr. Speaker, this bill follows a resolution passed in May 1968 by the Canadian Trucking Association and a similar resolution passed by the Quebec Trucking Association Incorporated.

The purpose of this bill is to provide that, when the owner of a motor vehicle transportation business operates both at the interprovincial and provincial levels, only the employees assigned to the operation of vehicles used for interprovincial transportation should be subject to application of this legislation.

Motion agreed to and bill read the first time.

[*English*]

NATIONAL DEFENCE

NORAD—CONSIDERATION OF CANADIAN COMMITMENT

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister a question arising out of his statement yesterday that in the reassessment of defence policy the government is considering the kind, quality and number of armaments that we will want to commit to NORAD. In light of this, will the Prime Minister say whether, as a result of the agreement signed last March, Canada considers itself committed to participate in NORAD until May 12, 1973?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, NORAD is a control device. It is not one to which any specific number of men, arms or materiel are committed. Each of the members of NORAD decides the input that it will place at NORAD's disposal. The agreement can exist essentially with very little arms from one side or the other. We are a member of NORAD. We have renewed that agreement. The number and kind of armaments put at the disposal of NORAD on the Canadian side is a decision for the Canadian government.

Mr. Stanfield: A supplementary question, Mr. Speaker. I should like to ask the Prime Minister whether Canada's continuation in or withdrawal from the NORAD agreement prior to 1973 is one of the matters under examination in the review of defence and foreign policy. My question is directed not to what arms might be provided but to whether we would stay in or withdraw from the agreement itself. Is this question under review?

Mr. Trudeau: Well, Mr. Speaker, if we decided to withdraw our arms at the disposition of NORAD, technically we could stay in the agreement but it would be of very little avail.

Mr. Woolliams: It would be a breach of agreement.

Mr. Trudeau: That is why I am indicating that from our point of view the crucial matter is the amount of arms we want to put at the disposition of NORAD. If, as I said, it were practically nil, I suppose that under this hypothesis the agreement would become defunct.

Mr. Stanfield: I have a supplementary question, Mr. Speaker. Then it would perhaps be correct to say that the continuation in or withdrawal from NORAD itself prior to 1973 is a matter that comes within the terms of the reassessment and review?

Mr. Trudeau: Yes, indirectly, Mr. Speaker. Once again I am looking at the hypothesis that we would put no arms there. Then you could say the agreement is continued but there is nothing in it. Therefore the important aspect of the review is what we want to put in. We may decide to put in much more; we may decide that NORAD deserves a much larger commitment of Canadian arms, in which case I would not be prepared to say the agreement would no longer be in effect.

Hon. J. A. MacLean (Malpeque): I have a supplementary question. In view of the fact that the NORAD agreement specifies that the agreement may be reviewed at any time at the request of either party, is the government giving consideration to asking the United States government to review jointly the NORAD agreement in the near future, or has the Canadian government already made such a proposal to the United States government?

Mr. Trudeau: No, we have not, Mr. Speaker.

Mr. Stanfield: On a supplementary question, Mr. Speaker, I wonder whether the Prime Minister could advise the house whether the government of Canada is committed now to supplying any equipment, replacements or additions under the existing agreement, or whether in the view of the government any such equipment can be withdrawn at any time. Are there any commitments with regard to supplying equipment now under the NORAD agreement presently in effect?

Mr. Trudeau: As has just been indicated by the previous question, the matter of equipment can be decided from time to time. NORAD is a framework of joint control by the two governments and, as the Leader of the Opposition knows, this joint control exists over the arms that each side decides to put in under the NORAD agreement. It is this decision that we are reviewing now along with other decisions; what kind of a defence policy we need, whether in or out of NATO, in or out of NORAD, and so on.

Mr. W. B. Nesbitt (Oxford): I have a supplementary question, Mr. Speaker. In view of the Prime Minister's statement that all aspects of NORAD and of Canadian-United States defence in general are being reviewed at the present time, would part of that review consist of the possibility or likelihood of the stationing of additional United States troops in Canada should we decide to reduce our arms commitment?

[Mr. Stanfield.]

Mr. Trudeau: Of course it is a possibility, but I would not suggest it is a likelihood.

Mr. Ed Schreyer (Selkirk): I have a supplementary question for the Prime Minister. Can the Prime Minister deny or confirm reports that there is a growing divergence of interpretation between Canada and the United States as to whether the new NORAD agreement allows for the inclusion of an anti-ballistic missile system—

Mr. Speaker: Order, please. The hon. member cannot ask the Prime Minister or a minister to confirm or deny reports.

Mr. David MacDonald (Egmont): Mr. Speaker, I wonder if the right hon. gentleman could indicate whether the establishment of the light anti-ballistic missile system in the United States will come under the organizational command of NORAD.

Mr. Trudeau: I would have to check, Mr Speaker, but my recollection is that it would not.

Right Hon. J. G. Diefenbaker (Prince Albert): I would like to ask the Prime Minister the following question. In view of the fantasy, the almost make-believe world that is being placed before us by the Prime Minister and woven by him from day to day, does he not think the Canadian people have the right to fuller information than the uncertainty that is being given to the people of Canada today, in particular today on the question of NORAD? Instead of all this confusion—

Mr. Speaker: Order.

Mr. Diefenbaker: —does not the Prime Minister think the time has come to give them facts?

Mr. Trudeau: Yes, I think the Canadian people have the right to full information. The trouble is that we are in the process of reviewing our policy, and if we were to tell them of our policy before reviewing it, there would be little purpose in reviewing it.

Some hon. Members: Hear, hear.

Mr. Trudeau: We feel it is not beyond the tolerance of the Canadian people to understand that there is a need once in a while to review some of the basic policies which have been established by this government and by previous governments over the years, or over the generations, and I think it is not too much to ask the Canadian people during the

period of this review to accept the assumption that the government may or may not change its mind.

Mr. Diefenbaker: May I say this to the Prime Minister—

Some hon. Members: Oh, oh.

Mr. Diefenbaker: They laugh at the matter of defence on the Liberal side of the house, do they?

Some hon. Members: Oh, oh.

Mr. Diefenbaker: This is a subject affecting the life and the future of Canadians. I ask the Prime Minister now whether he will give this house an opportunity at an early date to discuss this matter and make known the views of the Canadian people as represented by members here, so that at least parliament will not be a one man show determining the future of this country.

Some hon. Members: Oh, oh.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. Does the review of defence and external policy upon which the government is engaged include a precise assessment of areas in the world where we might increase our external aid if we have money to spare after cutting back on defence expenditures? Can the Prime Minister say what emphasis is being placed on this aspect of the review?

Mr. Trudeau: I repeat what I believe I indicated a few days ago to the leader of the New Democratic Party. The question of external aid or international development assistance is very much present in our minds, and we are looking at this aspect of our foreign policy not only with a view to increasing it if possible but also with a view to determining in which areas of the world we could usefully spend more for the people concerned.

Mr. Schreyer: I wonder whether I could rephrase the question I asked a few moments ago and ask the Prime Minister whether the government of Canada is finding any special difficulty in reconciling its interpretation of the NORAD agreement with that of the United States, in connection with the ability of the NORAD agreement to allow for antiballistic missile defence capability.

Mr. Trudeau: There have been no difficulties whatsoever, Mr. Speaker.

Mr. Thomas M. Bell (Saint John-Lancaster): Does the Prime Minister agree with the contention that Czechoslovakia upset all our plans in this regard?

Mr. Donald MacInnis (Cape Breton-East Richmond): I would ask the Prime Minister when he intends to show to the house the results of Marshall McLuhan's instructions?

Mr. Speaker: Order. I think we have reached the point where we might go to another subject.

DRUGS

AVAILABILITY OF VACCINE TO COMBAT INFLUENZA

On the orders of the day:

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I would like to address a question which has been posed previously to the Minister of National Health and Welfare. In view of the serious hold-up in the United States in the manufacture of a vaccine against the newly found Hong Kong flu virus and the extreme urgency of production, would the minister indicate to the house what the situation is in Canada and when he expects the vaccine to be ready for distribution here?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I believe I gave the hon. member an answer previously, but I assume he was not satisfied with it. I will be pleased to look into the matter again and give him a further answer.

ONTARIO—REPORTED INTENTION TO REDUCE PRICES

On the orders of the day:

Mr. Barry Mather (Surrey): Mr. Speaker, I have a question which I think I should address to the Minister of National Health and Welfare, or perhaps to the Minister of Consumer and Corporate Affairs. Having in mind the announcement made today by the Ontario provincial minister of health that Ontario intends to reduce the price of drugs by at least 15 per cent in the next two months, would the minister consider similar action on the part of the federal government?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, as the hon. member is aware the Minister of Consumer and Corporate Affairs has already made his speech on second reading of a bill designed to deal with this over-all subject matter. That

bill will proceed through its various stages and will certainly supplement any effort the provinces may make along the lines given in the story to which the hon. member refers.

FINANCE

REQUEST FOR STATEMENT ON INTERNATIONAL SITUATION

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I wish to direct a question to the Prime Minister. In view of the increasing tempo of monetary crises at the international level would the government undertake to have the Minister of Finance make a statement in connection with the present crisis the first time he is back in the house?

Right Hon. P.-E. Trudeau (Prime Minister): I believe the Minister of Finance is due in the house tomorrow, Mr. Speaker, and he may well want to answer that question.

Mr. Lambert (Edmonton West): That is not my question. I am asking whether the government is prepared to have the minister make a statement. It is a very simple question.

Mr. Trudeau: The very simple answer is that if such a statement is found useful by the Minister of Finance he will make it.

Mr. Lambert (Edmonton West): Without comment, Mr. Speaker, I ask a supplementary question. Has the Prime Minister received any reports with regard to the present crisis from Canada's representatives at the meeting held last week end to deal with this particular situation? Perhaps the Prime Minister might consider some of these monetary crises of rather grave import so far as Canada is concerned also.

Mr. Trudeau: The answer to the first is yes, and to the second, I do, Mr. Speaker.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, in the course of displaying his mastery of the house perhaps the Prime Minister could indicate whether Canada has made any commitments with regard to credit swap arrangements to support the franc.

Mr. Trudeau: No, Mr. Speaker, there have been no commitments. We are of course watching the international monetary situation very intently, but we have no means of predicting what might be done by any of the European governments concerned. We are watching the developments from day to day, but we have not been asked as yet for any specific commitment.

[*Translation*]

EXTERNAL AID

NIGERIA—USE BEING MADE OF HERCULES PLANES

On the orders of the day:

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

Is it true that the Hercules aircraft affected to the transportation of food and goods to the Biafrans are no longer in any condition to take off?

Right Hon. P.-E. Trudeau (Prime Minister): No, Mr. Speaker. On the contrary, the Hercules aircraft in Fernando Po was used this very day to transport refugees to Dahomey and our authorities allowed that aircraft to carry other refugees. I can even add that this aircraft might be used to carry drugs from somewhere in Europe to Nigeria.

[*English*]

CANADIAN CONSTITUTION

INQUIRY AS TO TELEVISION COVERAGE OF CONFERENCE

On the orders of the day:

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the right hon. Prime Minister. Yesterday he was asked a few questions about the coming conference with the provincial premiers in Ottawa. I should like to know whether that conference will be open to television like the first conference in February, so that all Canadians can see the talent and diplomacy exercised by the Prime Minister which we see here every day.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I take it that the hon. member would not want this to become a one man show. This would displease the right hon. member for Prince Albert. I can say, however, that I have suggested to the provinces that if they are agreeable to this we would have this conference open to television.

LABOUR CONDITIONS

CONSIDERATION OF INCREASE IN MINIMUM WAGES

On the orders of the day:

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, on October 18 I addressed

a question to the Prime Minister in which I asked him whether at the federal-provincial conference in December the question of raising minimum wages across this country could be considered, because of the importance of raising the living standards of the four million Canadians who live in poverty. Has the Prime Minister arranged to have this matter placed on the agenda of that conference to be considered at that time?

Right Hon. P.-E. Trudeau (Prime Minister): Arising from the discussions at the conference last February we are putting on the agenda of this conference the subject of regional disparity. This will permit us to correct some of the economic inequities which concern the hon. member so deeply.

Mr. Hees: Because the question of raising minimum wages is so fundamental and important I ask the Prime Minister whether this matter could be considered.

Mr. Trudeau: When put as specifically as that, I fail to see that it should be the subject for a constitutional conference. I know of nothing which would prevent the provinces raising their minimum rates, or that would prevent the federal government raising its minimum rates in areas under their respective jurisdictions. I fail to see how this is a matter for constitutional debate.

Mr. Hees: Does the Prime Minister not agree that if the Prime Minister and the government would set the example by raising the minimum rate, which has not been done for three years, this might—

Mr. Speaker: Order. The hon. member's final supplementary is argumentative.

INQUIRIES OF THE MINISTRY

On the orders of the day:

Mr. Paul St. Pierre (Coast Chilcotin): Mr. Speaker, I have a question for the Minister of Public Works in relation to the construction of a new highway bridge across the Fraser river, built by a Chilcotin rancher named Rudy Johnson. In spite of the fact that no public money of any sort was spent on this useful public work, does the minister plan to accept an invitation to the official opening ceremonies both as an honoured guest and as an interested observer?

Mr. Speaker: Order, please. The hon. member has conveyed his invitation.

29180—184½

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I should like to ask the Prime Minister whether he received a telegram this morning from the Liberal association of Burnaby-Seymour strongly protesting the fact that the Prime Minister obviously does not know who the Liberal member for Burnaby-Seymour is?

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

An hon. Member: Who the hell is he?

Mr. Speaker: Order, please.

Mr. Hees: Oh, let him answer.

Right Hon. P.-E. Trudeau (Prime Minister): No, Mr. Speaker, I did not receive such a hypothetical telegram. If it is of interest, and for the record, I never suggested I did not know who the member was. I asked, sotto voce, where the hell the minister was.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

Mr. Hees: Oh, no, that's not—

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. I doubt whether the question was in order in the first instance. I allowed the Prime Minister to answer only because the hon. member suggested I should do so.

Mr. Trudeau: Mr. Speaker—

Some hon. Members: Oh, oh.

Mr. Trudeau: I know where the minister is—

Mr. Speaker: Order, please. I suggest there should not be a supplementary question. If the hon. member has another, I will allow it.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I should like to ask the Prime Minister whether the Minister of Agriculture was expressing government policy when he stated to a meeting last night that many farmers were ignorant of the basic economic laws of business management.

Mr. Speaker: Order, please.

Inquiries of the Ministry

CROWN ASSETS

REPORTED INTENTION TO SELL SABRE JET PLANES

On the orders of the day:

Mr. A. D. Hales (Wellington): Mr. Speaker, I should like to direct this question to the Minister of Defence Production. Would the minister advise the house how far negotiations have proceeded with regard to the sale of 26 Sabre jets to a United States arms dealer.

Hon. Donald C. Jamieson (Minister of Defence Production): Mr. Speaker, the 26 aircraft to which the hon. member refers have not as yet been declared surplus to the Crown Assets Disposal Corporation. There may be some confusion in that earlier a set of, I believe, some 22 airframes were offered for sale, and a separate set of 25 Orenda engines. This is the only equipment which has been declared surplus to Crown Assets Disposal Corporation. No decision has been made with regard to the disposal of this equipment. If the F-86's are turned over to us we will decide as a matter of policy what will be done with them, but so far they have not been turned over to us.

Mr. G. W. Baldwin (Peace River): Is the final decision on this being left until after the government has completed its review of defence policy?

Mr. J. Edward Broadbent (Oshawa-Whitby): Would the minister assure the house that the purpose for which the private citizen and the principal for whom he is acting want to buy these planes will be made clear to the government before they are sold?

Mr. Jamieson: Yes; I can give that assurance very categorically.

Mr. R. N. Thompson (Red Deer): My question arises out of the answer given to the first question. Could the minister tell us why Crown Assets Disposal Corporation would dispose of 22 airframes and 25 separate engines when these put together would make up total aircraft?

Mr. Jamieson: This is not necessarily so, in view of the fact that the planes have also been stripped of all instruments, all firepower and that type of thing. However, I repeat what I said a moment ago, that no decision with regard to the disposal of even airframes or engines separately has as yet been made.

[Mr. Speaker.]

Mr. Hales: Mr. Speaker, would the minister then in future see that such news reports are authentic and that the country—

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

[*Later:*]

Mr. Broadbent: Mr. Speaker, I have a question for the Minister of Defence Production to clarify an earlier matter. Did I understand the minister correctly to assert that the government would seriously consider the possibility of selling military aircraft in usable condition to a private purchaser, rather than selling them as disposable material, or scrap material?

Mr. Jamieson: Mr. Speaker, I do not know whether that is the same question that was asked before. I simply stated that there are at the moment no flyable aircraft being offered for sale or turned over to Crown Assets Disposal Corporation. The indication is that within the next few months some F-86 aircraft will be turned over to Crown Assets. When that happens, I undertook to make a policy decision, and I assured the hon. member that at that time, in making that decision we would be very sure that we were completely aware of the ultimate destination and use of such equipment provided, in fact, the decision was to sell it in flyable condition.

[*Later:*]

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I ask the Secretary of State or the Acting Secretary of State if he will look into the newscast of the C.B.C., since it comes within his responsibility, and ascertain why they are permitted to make announcements in reference to government sales of surplus aircraft and start a protest movement throughout this country, with protest letters and wires coming to members of parliament objecting to a sale with regard to which the C.B.C. has said a private American has made the highest tender.

[*Translation*]

POST OFFICE DEPARTMENT

INCREASE IN NEWSPAPER SUBSCRIPTIONS FOLLOWING POSTAL INCREASE

On the orders of the day:

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the Postmaster General. Is the minister aware of the advertisement published today in the

newspaper *Le Soleil* of Quebec City concerning the Kierans act, or Bill No. C-116, which reads as follows:

To our regret, we have to increase our subscription rates—mail delivery—from $15 to $30 yearly as from April 1, 1969.

Mr. Speaker: Order. The hon. member should put his question now.

Mr. Caouette: Is the minister in a position to tell us what steps he intends to take to prevent such increases?

Mr. Speaker: Order. The right honourable member for Prince Albert.

Mr. Caouette: Mr. Speaker, the minister was ready to answer—

Mr. Speaker: Order, please.

CRITERIA CONSIDERED IN CLOSING OF OFFICES

On the orders of the day:

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I would like to direct a question to the hon. Postmaster General.

For a month or so, members have been receiving letters from the Postmaster General regarding his decision to close down post offices in the various ridings. In my constituency, three post offices have already been closed down.

Mr. Speaker: Order. The hon. member must ask a question.

Mr. Asselin: Yes, Mr. Speaker. Here it is. On what basis does he apply such a policy?

Mr. Speaker: The hon. member is asking the minister for a general statement, which the minister should do on motions.

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, I can give a reply in a few words.

Two or three conditions are required to close down a post office. For instance, when a post office serves fewer than 30 families, when the income is less than $1,000 and when the administration costs of the office amount to $2,000 or $3,000, and when it is possible to introduce a rural route service, then the closing down of the post office is considered.

Mr. Asselin: Mr. Speaker, a supplementary question.

Does the minister also take into account the fact that although a post office may not be profitable, it does help the people?

Mr. Kierans: As far as we are concerned, a rural route service helps the people better.

REQUEST FOR STAMP COMMEMORATING JEANNE-MANCE

On the orders of the day:

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to put a question to the Postmaster General.

Since the international convention of nurses will be held in Montreal, in June 1969, would the minister be willing to issue a postage stamp representing Jeanne Mance, the first Canadian nurse belonging to the laity?

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

[*English*]

VETERANS AFFAIRS

INQUIRY AS TO LEGISLATION INCREASING PENSIONS AND ALLOWANCES

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, in view of the number of veterans who today find themselves in a very difficult position by reason of the high cost of living, will the Minister of Veterans Affairs let the country know when the legislation in respect of increased pensions and war veterans allowances will be before the house, and in particular, when the necessary resolutions will be placed on the order paper?

Hon. Jean-Eudes Dube (Minister of Veterans Affairs): Mr. Speaker, as the hon. member knows there was an increase in pensions of 15 per cent in 1968. This matter of increasing pensions is always under consideration, and any announcements to be made will be made in due course.

Mr. Diefenbaker: I should like to ask about war veterans allowances. Is any consideration being given in this regard; and when the minister is answering perhaps he will also tell the house whether it is because of this reassessment of defence policies that no action is being taken for the veterans.

Mr. Dube: No, Mr. Speaker. Obviously there is no relationship at all between the two. The matter of allowances is always under consideration.

Inquiries of the Ministry

HALIFAX—REPORTED REDUCTION IN HOSPITAL SERVICES

On the orders of the day:

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a supplementary question for the Minister of Veterans Affairs relating to a statement he made in the house on Thursday last, in which he indicated there were no cutbacks in administration at Camp Hill. Having assured the house that no cutbacks have taken place, can the minister now assure the house that there is no intention of cutting back?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): Yes, Mr. Speaker, I can. There were no cutbacks, and there will be none.

HEALTH AND WELFARE

CARD SYSTEM FOR DRUG DISTRIBUTION TO INDIANS

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, I should like to ask the Minister of National Health and Welfare whether he is now in a position to say when his department will be substituting the card system for the list system for identifying Indian people who are entitled to free drugs, to which he referred last Wednesday.

Hon. John C. Munro (Minister of National Health and Welfare): Yes, Mr. Speaker. We certainly hope to start dealing with this in the next month to six weeks. As I understand it the list system is only practiced in British Columbia.

Mr. Simpson: Mr. Speaker, when this system is brought into effect can the minister assure the house that this will completely do away with the lists which are now on hand in various drugstores throughout British Columbia?

Mr. Munro: I certainly think so, and this will be a far better system.

Mr. Simpson: Would the minister consider withdrawing these lists and having them returned to the departments from which they were issued?

Mr. Munro: With the card system, that is what we have in mind.

[Mr. Dubé.]

CARE OF INDIANS IN TUBERCULOSIS AND MENTAL HOSPITALS

On the orders of the day:

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare arising from the minister's undertaking to the federal-provincial national conference that the decision to turn over responsibility for Indians in tuberculosis and mental hospitals in the provinces would be reconsidered by a senior committee of deputy ministers. Will the minister say whether this review has been completed and, if so, with what result? If it has not, can the minister advise when he expects the review to be completed?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, the principle of this reconsideration put forward, was to have further studies by such a committee. The committee is just getting under way now. As I indicated, it is a committee of officials and deputy ministers, and it will take some time before that review is completed.

REQUEST FOR WHITE PAPER ON SMOKING AND LUNG CANCER

On the orders of the day:

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I should like to ask the Minister of National Health and Welfare, in view of the very serious increase in cancer of the lung with its very high mortality and morbidity, and the established link with cigarette smoking, whether he will advise the house if a white paper will be tabled, and when the house may expect it.

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I would prefer at this time to take this question as notice.

[*Later:*]

Mr. Barney Danson (York North): Mr. Speaker, my question now becomes a supplementary to the Minister of National Health and Welfare. As a result of the bulletins published by his department and various other publications, indicating the increasing incidence of lung cancer due to heavy smoking, I was wondering whether the minister was considering giving up reading.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

FISHERIES

NEWFOUNDLAND—TENDERS FOR PURCHASE OF DRIED SALT COD

On the orders of the day:

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a question for the Minister of Fisheries having regard to the petition he received on behalf of Newfoundland fishermen of the northwest coast for the purchase of dried salt cod and the closing of tenders yesterday. Can the minister advise whether the price as requested in the petition will be met?

Hon. Jack Davis (Minister of Fisheries): I do not know, Mr. Speaker, but I will make inquiries.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, in view of the statements claimed to have been made by the Minister of Defence Production that merchants are acting in poor faith in respect of this plan, can the minister say whether the present arrangement of having merchants tender to the government for the purchase of the fishermen's fish is going to have the effect of tragically low prices being paid to the primary producers?

Mr. Speaker: Order, please. I am sure the hon. member realizes that the question as asked is not in order.

[*Translation*]

INDIAN AFFAIRS

REQUEST FOR DRAFT OF PROPOSED LEGISLATIVE CHANGES

On the orders of the day:

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, the other day, the hon. member for Skeena (Mr. Howard) asked what had happened to the amendment projects to the Indian Act to which my predecessor had referred, as reported in *Hansard* on December 11, 1967.

The former minister was then considering some political matters concerning the Indian Act, following meetings held with Indian representatives. These questions were published later in a booklet entitled *Choosing a path*, which was forwarded to all the Indians. There is no provisional text of the new Indian Act at the present time.

[*English*]

EXTERNAL AFFAIRS

MEXICO—ARREST AND DEPORTATION OF CANADIAN JOURNALISTS

On the orders of the day:

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Acting Secretary of State for External Affairs. Yesterday I asked him a question, which he promised to answer today, about the deportation of Canadian journalists from Mexico.

Hon. C. M. Drury (President of the Treasury Board): Yes, Mr. Speaker. The question was whether the embassy in Mexico City was aware of the deportation of two Canadian citizens. The answer is yes; on November 15 the embassy became aware of the story of this detention and deportation. Representations were made to the government of Mexico by our ambassador, who was advised that the two Canadians in question had been detained and deported in their own car to the United States for an offence against the Mexican government regulations relating to the making of films for export purposes. The ambassador protested the lack of advice of this detention and the lack of accessibility by the consular service to the two Canadians, but the deportation had already been carried out.

NATIONAL PARKS

JASPER—CONFIDENTIAL TENDERS FOR LAND FOR TOURIST TRADE

On the orders of the day:

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I would like to ask a question of the Minister of Indian Affairs and Northern Development because time is of the essence. Has he received any complaints from the national parks, and in particular Jasper, in reference to a breach of confidential tenders with regard to land being let for the tourist trade in that area?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have not received any complaint in that connection, but I can assure the hon. member that I will inquire to determine if there is something unusual.

[*English*]

Mr. Woolliams: A supplementary question, Mr. Speaker. When the minister makes the

investigation will he check to see whether there was any breach of confidentiality, in that tenders were opened prior to the date and shown to other people tendering?

COMMUNICATIONS

REQUEST FOR REPORT ON MISSION TO FRANCE

On the orders of the day:

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I have a question for the minister designate for communications. Will the minister advise whether he will be making an early statement in the house on the lofty question of telecommunications, and especially the results of the Canadian mission to France?

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, I have not yet met with the officers who were spending some time in Bonn last week at the European space conference. I do not anticipate immediately making a statement to the house, but I am certainly anxious to make one when the circumstances justify it.

RURAL DEVELOPMENT

NEWFOUNDLAND—COMPLAINTS RESPECTING RESETTLEMENT PROGRAM

On the orders of the day:

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my question is directed to the Minister of Fisheries. Will the minister give urgent consideration to investigating complaints directed against the federal-provincial resettlement program in Newfoundland?

Hon. Jack Davis (Minister of Fisheries): The answer is yes, Mr. Speaker.

DOMINION-PROVINCIAL RELATIONS

CHURCHILL, MAN.—NEGOTIATIONS ON DEVELOPMENT OF TOWN SITE

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, I should like to direct a question to the Minister of Public Works. Can the minister say when he will be in a position to indicate to the cabinet proposals for the development of the town site of Churchill, as indicated by the Prime Minister on October 28?

Hon. Arthur Laing (Minister of Public Works): Mr. Speaker, I think the review in this regard is almost complete and that this will be referred to the cabinet for decision at a very early date.

[Mr. Woolliams.]

PENSIONS

CONSIDERATION OF UNIVERSAL PRINCIPLE OF ESCALATION

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. In view of the gradual extension of the principle that pensions, having been put into effect, have to be escalated, and in view of the urgency of extending this matter and putting it on a universal basis, has the minister yet established in his department a committee or task force to study this whole question?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, as indicated, I believe, earlier this session by the Prime Minister, the whole question of our various welfare programs is under review.

Mr. Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker; pardon me for being persistent. Is the particular question of escalating pensions that have been put into effect included in this review?

Mr. Munro: Yes, Mr. Speaker, all matters pertaining to our welfare programs are part of the review.

WAYS AND MEANS

The house in committee of ways and means, Mr. Richard in the chair.

CUSTOMS TARIFF

1. That Schedule A to the Customs Tariff be amended by striking out tariff items 20925-1, 21045-1, 22001-1 and the heading thereto, 22002-1 and the heading thereto, 22003-1 and the heading thereto, 26325-1, 40938-1, 42761-1 and the heading thereto, 42762-1 and the heading thereto, 44043-1, 44047-1, 47600-1, 56400-1, and 69315-1 and the enumeration of goods and the rates of duty set opposite each of those items, and by inserting therein the following items, enumerations of goods and rates of duty:

The Acting Chairman (Mr. Richard): Order. House again in committee of ways and means on a certain proposed resolution to amend the Customs Tariff. The text is attached to *Votes and Proceedings* of Tuesday, October 22, 1968. Shall the resolution carry?

Mr. Gilbert: Mr. Chairman, on Thursday, November 14, I was participating in this debate. At that time I said that when one considers the General Agreement on Tariffs and Trade, commonly known as the Kennedy round, one thinks of the words *fait accompli*

because it was put into force as of January 1. I also stated that when one reviews the Kennedy round—

The Acting Chairman (Mr. Richard): Order. I would ask the indulgence of some hon. members and request them to take this opportunity to go behind the curtains and carry on their conversations elsewhere, please.

Some hon. Members: Hear, hear.

• (3:20 p.m.)

Mr. Gilbert: I was saying, Mr. Chairman, that when one considers the effect of the Kennedy round negotiations one finds no substantial reduction in effective protection resulting therefrom. In some cases there is higher protection than there was before. This has been the finding of the Economic Council of Canada which made a detailed study of the Kennedy round recommendations. They found that there was no reduction in effective protection as a result of these negotiations.

One of the recommendations the Economic Council of Canada made was that there should be an accelerated reduction of tariffs as one way of dealing with persistent price and cost increases in Canada. This recommendation was rejected by the Prime Minister in his statement on September 12, and has been rejected by the Minister of Finance in his recent budget. The approach of the Minister of Finance to the handling of the price and cost increases we are experiencing in Canada has been to create a slack economy, to create more unemployment. This is contrary to one of the methods recommended by the Economic Council of Canada.

I said on that evening that Canada must have a free trade policy in order to develop her economic and productive strength. The experience Canadians have had has been that restrictions have been imposed by the government which have hindered the development of a real free trade policy for Canada. One of the major restrictions in this regard has been our monetary policy. I stated that our policy with regard to a fixed exchange rate and our attitude and policy regarding foreign exchange reserves have created restrictions on the development of a free trade policy. I quoted extensively from statements made by the present Postmaster General to develop this point. Since many people believe that when we in the New Democratic party set forth a principle that principle is not regarded as having any validity by the people in government, I am going to quote again from what the present Postmaster General said back in 1967. I should like to refer to an article he wrote entitled, "The Nation Keepers", in which he referred to foreign guide lines to Canada's economic future. At page 214 the author develops the principle that Canada should have an aggressive trade policy and states:

> If Canada pursues an aggressive free trade policy it is obvious that our fixed exchange rate policy will not work. We will have to go through so many fundamental changes in industrial organization that only a freely moving rate will be able to adjust to the productive process and measure our success or failure in achieving our aims. As J. E. Meade has written, there is no choice for free traders. "Free trade and fixed exchange rates are incompatible in the modern world." This is particularly true for Canada which depends on trade, has a heavily protected manufacturing industry, and is much affected by the slightest changes in the economic policy of its neighbour. Free trade will bring a more efficient use of our resources and expand our possibilities of growth, but these changes cannot possibly work their way through the economy within the constraints of a fixed rate.

These statements were made by the present Postmaster General, and I have yet to hear a government spokesman, including the present Postmaster General, give any forward push to these very necessary principles with regard to the foreign exchange rate policy or foreign exchange reserves. We in the New Democratic party have advocated this principle for quite some time. When we have the Postmaster General enunciating the same principle, when we have the *Financial Times* of September 23 setting forth the necessity of solving this problem, when on November 14 we have the president of the Royal Bank, Mr. Earl McLaughlin, stating that the exchange rate policy and the foreign exchange reserves are imposing restrictions with regard to free trade, one would hope that the government would take immediate action to achieve the release of these restrictions and have a more definite free trade policy.

The second proposition I set forth last week was that we should examine the industrial structure of our Canadian economy. This, of course, necessitates an in-depth study of foreign ownership in Canada. It was for this reason the Watkins committee made a thorough study of foreign ownership and structure in the Canadian economy. The report to this committee states that in 1964 we had $27 billion of foreign investment, 86 per cent of which was United States investment; 12 per cent investment from the United Kingdom and 8 per cent from other countries. I understand that a projection of the $27 billion in

1964 reveals that the figure is now close to $35 billion. When one reads that in certain industries such as automobile parts and rubber United States investment is 97 per cent, that in chemical products there is 78 per cent control, that in electrical apparatus there is 77 per cent control, one can appreciate the impact of foreign investment in Canada.

It was for this reason the Watkins committee went into such a detailed study concerning the problems of extraterritoriality, branch operations in Canada and multi-national corporations, and an effort was made to determine just what penetration had been made in these particular areas. Mr. Watkins, who was the chairman of this committee on foreign ownership, in an article written for a magazine called *Executive* in August of 1968 set forth his views concerning foreign investment. At this stage one is not complaining about the general problem of foreign investment because we in Canada invite foreign investment. However, one has to look at the penetration that has been made and the consequences that may follow this domination of our Canadian industry. Mr. Watkins said:

> The amount of foreign investment, or foreign ownership, is not an issue in and of itself. There is no virtue in trying to minimize it for its own sake. I suspect that most people in this audience would readily agree with that proposition. If so, you ought also to agree that neither is there any virtue in trying to maximize the level of foreign ownership in Canada for its own sake. Unfortunately, some important groups in this country at least give the appearance of having fallen victim to the latter fallacy.

Then he sets forth just what the approach of Canada should be.

> What we should want is to maximize the net benefits from foreign investments, in order to have as large benefits as possible, by increasing benefits and decreasing costs. Basically, this means using public policy to increase the economic benefits and decrease the political costs from foreign ownership. It means using foreign investment in such a way as to get the largest possible increase in the standard of living for Canadians, and to get the smallest possible reduction in our sovereignty and our economic and political independence.

I am sure that Canadians would agree with the ultimate goal for which we are striving with regard to the part foreign ownership should play in the Canadian economy. This is why the Watkins report recommended tariff reductions so as to increase economic benefits from foreign investment. As Mr. Watkins says, Mr. Chairman:

• (3:30 p.m.)

> Tariff reduction is not a universal panacea to solve all our problems, as some of my colleagues in economics seem sometimes to imply, and it might well exacerbate some of these problems. The structure of Canadian industry is frequently one of too many and too small firms. There is a need for fewer and larger firms, or rationalization. Tariff reduction, by permitting import competition, provides a spur for rationalization and some protection for the consumer after rationalization, but it does not in itself provide the means for rationalization. There remains a need for capital, for leadership, for planning.

[Mr. Gilbert.]

This is why the Canadian economy must face the problem of extraterritoriality. The approach of the Watkins report to this problem is this:

> The actual problems of extraterritoriality arise for Canada from the intrusion of United States law via the medium of the American-controlled subsidiary resident in Canada with respect to trade with certain Community countries, with respect to compliance with the decrees of American courts in the matter of anti-trust policy, and with respect to American balance of payments policy.
>
> In each case, the report put forward recommendations that would create Canadian law and administrative agencies that would attempt to nullify and countervail the American intrusion. United States law and policy forbid, in effect, American firms and their subsidiaries to trade with nations designated as enemies—Mainland China, North Viet Nam, North Korea and Cuba. The report recommends that Canada create a government export trade agency to oversee such Canadian trade with these countries as is consistent with Canadian foreign policy, and, as a last resort, require American controlled firms to fill bona fide orders which would otherwise be lost to Canada.

One of the approaches taken to extraterritoriality is the setting up of an export trade agency to take care of the problem that has confronted Canadian subsidiaries of United States parents in regard to trading with the enemy legislation and so forth.

The approach to branch plant operation can be stated in this way:

> But the real issue in this regard may turn out to be whether American-controlled firms are able to enter into rationalization agreements promoted by the Canadian government. American anti-trust law may inhibit such activities on the grounds that they involve collusion between firms. In so far as rationalization programs appear to be essential if Canadian industrial efficiency is to be increased in a dramatic, but orderly way, it is important to have the Canadian interest clarified. Present rudimentary consulting arrangements between Canadian and American authorities amount to little more than the Canadian authorities being kept informed. The strengthening of these arrangements hinges on Canada articulating its interests so that they will be given greater weight by the United States. This will require a clear Canadian legal position which the American parents of Canadian subsidiaries can point to when they are asked to do things which violate American law but are desired by the Canadian government.

The balance of payments problem was set forth by Mr. Watkins in these words:

> The issue of the application of United States balance of payments policy to the subsidiaries of American corporations has been very much alive in recent months. While the United States has been applying voluntary controls for some time, it issued new mandatory controls on direct investment just as the report was being completed. Since the report was issued, Canada has been exempted. Given the disastrous consequences of these controls for the Canadian dollar, the exemptions can only be regarded as a welcome development.

The other more important matter, Mr. Chairman, is the problem of the rationalization of Canadian industry. I think it is agreed among Canadian manufacturers that they must broaden the base of exports. At the moment we have a 65 per cent dependency on exports to the United States. As one studies the problem one feels that Canada has opted out in favour of economic integration with the United States. I think this was the main contention between the hon. Walter Gordon, who stood for nationalism, and Mr. Winters and the present Secretary of State for External Affairs, who stood for continentalism. It appears at the moment that the continentalists have won out. One feels the gradual opting out by the government in favour of economic integration with the United States.

When one reads the speeches of the present Minister of Industry, Trade and Commerce one feels that he simply takes as an accomplished fact that we should follow the course of economic integration. I find it quite strange that this minister, in view of the riding he represents and the province from which he comes, would accept this as almost a *fait accompli*.

We have also been given guide lines for the good Canadian, corporate citizen as set forth by the former minister of trade and commerce. It has been said that this approach is the Boy Scout approach to the tackling of the main problem of rationalization and the penetration of foreign investment in Canada.

The problem of rationalization, Mr. Chairman, is not an easy one. I can recall sitting as a member of the committee on finance, trade and economic affairs and hearing the president of the Canadian Chamber of Commerce setting forth a particular problem. This gentleman is also president of Electrohome. He said that in Canada there are nine manufacturers of television sets, seven of which are U.S. owned, the remaining two being Canadian owned, Electrohome and Clairtone.

With regard to Clairtone, Mr. Chairman, one can appreciate the problems that that company faced in Canada. It was part of the program of the government of the province of Nova Scotia to help the company in their financing so that they could penetrate the northeastern sector of the United States. However, they have run into difficulty, and without the aid and assistance of the government of Nova Scotia they would experience real problems.

So far as Electrohome is concerned, when they attempted to penetrate the U.S. market they found a resistance by the dealers in the U.S. in the matter of servicing these Canadian produced Electrohome sets. One readily appreciates the problem of rationalization in this instance of seven U.S. owned companies and two Canadian owned companies in a rather large field of endeavour.

Turning to the automobile industry, Mr. Chairman, we in Canada are almost 100 per cent dependent on the U.S. owned automobile industry in Canada. A small country like Sweden, with less than eight million people, has been able to stake out for itself an automotive industry which has been very successful not only in Sweden but has expanded to England, France, Italy and Japan. Yet, as I say, Mr. Chairman, we in Canada are almost 100 per cent dependent on our United States friends.

The Acting Chairman (Mr. Richard): Order. I am sorry to interrupt the hon. member but his time has expired.

Some hon. Members: Continue.

The Acting Chairman (Mr. Richard): The hon. member for York North.

• (3:40 p.m.)

Mr. Danson: Mr. Chairman, I was very interested to hear hon. members speaking in this debate and the variety of points they expressed.

Mr. Saltsman: On a point of order, Mr. Chairman, if the hon. member would excuse me, I believe the hon. member for Broadview received the consent of the house to continue for a few moments to complete his speech.

The Acting Chairman (Mr. Richard): Order, please. No such permission was requested and that is why the Chair did not ask for it. If the hon. member for York North is willing to allow the hon. member for Broadview to continue his speech, I will ask for the consent of the committee.

Mr. Gilbert: If I can have only three more minutes I will be able to complete my speech.

The Acting Chairman (Mr. Richard): Would the hon. member for York North allow the hon. member for Broadview the time to complete his speech?

Mr. Danson: By all means, Mr. Chairman.

Mr. Gilbert: Mr. Chairman, I would like to thank the hon. member for York North and all members of the committee for permitting me to complete my speech.

I pointed out the problem we have with regard to the automobile industry. It could be said we have the same problem with regard to the chemical industry in Canada because between 70 and 80 per cent of that industry is foreign owned. If anything has come out of the Watkins report it has been the recommendation that we develop the Canada Development Corporation which would attempt to spur more activity with regard to Canada's participation in exports. It would provide the necessary capital and impetus to develop a strong Canadian economy which would not be totally dependent on foreign ownership.

There is also the problem of research. Research must be initiated by the government to give some of the industries in Canada the necessary know-how and help in order to compete with foreign companies.

I was hoping to speak on some of the problems that Canadian industries experience in Canada with non-tariff items. However, I will leave that to the next opportunity. I wish to express again my thanks for the extra time given to me.

Mr. Danson: Mr. Chairman, I have listened with considerable interest to hon. members speaking in this debate and have noted a variety of viewpoints expressed. These have all indicated the hope of increased trade, or perhaps I should say a continuing increase in an already expanding trade pattern which is very gratifying indeed.

There are those who advocate virtually unbridled free trade and those who tend to overprotect. In my opinion the answer is one of balance. This word "balance" has become a favourite of mine in recent years, and perhaps that is why I am a Liberal. Some call us a party of the middle of the road, which may be just another way of expressing balance. We in this party run the whole gamut of viewpoints, bringing about the creative tensions that result in solutions which do in fact give balance to our policies.

[The Acting Chairman (Mr. Richard).]

I might say that previously my favourite word was "dispassionate", but I do not think one can make progress, or even workable political decisions, completely devoid of passion. Here too we must seek a balance between overemotionalism and clinical objectivity. I might say that as I grow older I have an increasingly nostalgic attitude toward passion, or, as some say, "nostalgia just is not what it used to be".

I too look forward to the day when we can have true free trade. To rush into this blindly, however, would be the height of folly. It is necessary to exercise a healthy degree of economic nationalism to prepare ourselves for the increasing degree of free trade which we are currently experiencing and which we face in the future. Very much the same applies to our increasingly international society. Our internationalism must be tempered with a realistic degree of nationalism in order that we may contribute, compete, and even survive as a nation.

These are ideals to which we aspire, just as a just society is an ideal. Without such ideals we have either no purpose or a distorted purpose on which to base our present policies and actions.

I was very much impressed with the message of the parliamentary secretary to the Minister of Finance last Thursday night when he explained some facets of the results of the Kennedy round negotiations. When the machinery tariff legislation was being prepared I participated in representations by my industry to the Department of Industry and the Department of National Revenue. We were apprehensive about some aspects of this legislation and saw many possible loopholes. Since the Kennedy round reductions have been in force we have found that these apprehensions were unfounded. The proper administration of the legislation and, more important, the spirit of the legislation, have resulted in a far more favourable economic climate and the elimination of much which was distasteful in prior legislation.

My own company is engaged in the manufacture and distribution of machinery for the plastics industry, and I am aware of what have proved to be ill-founded concerns on behalf of our industry. Even so, I was pleasantly amazed to learn from the parliamentary secretary that there has not been a single complaint. This has very much affected my attitude toward the proposed anti-dumping legislation as a member of the committee on finance, trade and economic affairs which is

studying it. We have tended to look at every conceivable abuse of the anti-dumping code that is possible, both by industry and by improper administration by government. In hearing the representations from industry groups I sense the same type of apprehension that existed prior to the implementation of the tariff legislation to which I previously referred.

I doubt that it is possible to draft legislation that is absolutely foolproof. If it is possible, I suspect that the result would be bad legislation, legislation so tight and so completely restrictive that it could prove negative in its implementation.

What we have in the proposed anti-dumping code is a distinct improvement over prior practices. It depends for its effectiveness on an alert business community and its intelligent discretionary interpretation and administration by the appropriate government officials. This has been demonstrated in the machinery tariffs, and I have no fear that it will be any less effective when the new anti-dumping code is implemented.

What we are dealing with is a new spirit in international trade negotiations, a spirit which gives greater opportunity while at the same time giving reasonable and necessary protection. It is true that we are somewhat vulnerable, but only if we sit back and let the legislation become more effective than our energy and our spirit of enterprise. It presents a challenge to Canadian industry to compete, but it also offers us the great opportunity to exploit export markets that were virtually denied to us previously. If we cannot survive in this new atmosphere it will only be because we do not deserve to, and if we cannot survive under this new set of conditions we will be annihilated under free trade.

The automotive trade agreement is another example of change which many feared but which is resulting in benefits to our economy that were otherwise unobtainable. This particular legislation is not without its difficulties or its dangers, and to these we must be alert. The net result to date, however, has been an unqualified gain commensurate with fairness to both countries involved. If it were not for its scale it could well be looked upon as prototype legislation, the pattern of which might be followed by other industries. It may prove to be the most desirable method of achieving free or close to free trade which we can devise and still retain our sovereignty.

• (3:50 p.m.)

The message I am trying to convey is that we, and by "we" I mean industry, labour and government, must be prepared not only to meet change but to seek it. We must look for greater opportunity, which will require greater inventiveness, imagination, skills and plain hard work. At the same time, we must exercise due and reasonable caution to make certain our legitimate self-interests are properly protected.

It is in this vein that I approach the report of the task force on the structure of Canadian Industry, familiarly known as the Watkins report. I have made only a cursory study of it and my observations are necessarily subjective, as the proprietor of a modest business largely confined to the plastics industry. My associations are overseas to a great extent, but also largely in the United States, and involve close associations with leaders of multi national companies, particularly in the chemical industry. It is with this orientation that I view the report.

I think, however, that the Watkins Report deserves serious study. My observations at this time are necessarily short and superficial. They are intended, however, to introduce and stimulate further discussion on a subject which has been much misunderstood. In Professor Watkins' own words:

> If all of our proposals were put into effect, Canada would still have one of the most liberal policies toward foreign direct investment in the world. Foreign corporations should still find Canada a profitable place to invest.

I think Professor Watkins is purposely understating in this context as we would still have more liberal policies than almost any developed nation in the world, nations to which foreign capital is flowing steadily.

In my opinion, the spirit and direction of the report are not at all incompatible with maintaining the necessary climate to continue to attract foreign capital and know-how. The exception is a possible distasteful reaction to the establishment of a state trading agency to deal with communist countries in certain, well defined situations. The intent, as specifically defined in the report, however, is not without merit. It deals with licensing arrangements, amongst other things, which are frequently the easy way of doing things but which have restricted Canadian companies to the domestic market. Some method of incentives to permit export could be devised. The waiving of the withholding tax on royalties could be considered. Perhaps the production

of certain items under licence for export, or export to specific markets, would prove a practical compromise. The greater the export freedom, the greater the incentive. British Commonwealth and other markets could be negotiated. In cases where the product name or design are not the major consideration, where patents or technology are the prime benefits, marketing could be done under a different trade name and with distinctive styling and the entire world market opened up including, or even excluding, the licensor's domestic market.

The report also deals with joint ventures, which I believe require particular encouragement. In many cases a Canadian distributor develops the Canadian market which is then taken over by the foreign manufacturer, who then establishes his own manufacturing facility in Canada. Frequently, the Canadian distributor seeks another similar foreign manufacturer to represent and the cycle repeats itself ad infinitum.

Where the Canadian company is competent, the foreign company should be encouraged to establish a joint venture. My company has had specific experience in this area and is currently forcing negotiations to this end with a leading United States company. The American principals, in turn, are endeavouring to acquire complete control. This could result in (a) the loss of the market by my company, (b) its acquisition by the United States company, or (c) a disassociation of the companies, with the American company establishing its own facility, possibly with government aid, and my company endeavouring to start from the beginning, engineering a new product line and attempting to compete with the one we established in the first instance.

With adequate government encouragement, this situation could be avoided. At present a Canadian company is subject only to its own position in the Canadian market, as opposed to the already established position and far greater resources of the American company.

It is particularly interesting to note that when my company attempted to get federal government assistance some years ago to establish a Canadian facility it was completely frustrated. The Department of Industry did not have an appropriate agency. The closest to such an agency was PAIT, and while its objectives are admirable, its interpretation of its function was far too narrow to be of benefit. In one instance alone this could have established a three million dollar business, two-thirds of which would have been export and the remaining third replacing imports. This was a unique opportunity, and one which no longer exists as foreign companies have since seen and seized the opportunity in what would have been the export market. Without the export market the economics do not justify Canadian engineering for the domestic market. Thus, approximately a million dollars of imports continue and two million dollars in exports are lost.

Another area is assistance to firms in designated areas. Assistance to firms establishing or expanding in designated areas does not, I believe, differentiate between Canadian or foreign controlled companies. I think it would be beneficial to give Canadian companies some additional assistance. It may be well worth considering extending the benefits by a given percentage, maybe 50 per cent, or even 100 per cent, to companies controlled domestically. This should provide incentive for the establishment or expansion of small industries. Unfortunately, the smaller companies frequently do not have the personnel, resources, or the time to pursue the government sponsored programs.

This same problem also applies to Industrial Development Bank assistance. Skilled industrial development officers of the Department of Industry could well advise and expedite far more effectively than at present.

Then there is the matter of guide lines. Government guide lines for good corporate citizenship on the part of foreign companies in Canada are solely dependent on the good will of these companies for effective implementation. Generally they are for motherhood and against sin and are largely ignored, or only lip service is paid to them. I would urge something more effective, with emphasis on incentives rather than penalties.

It may well be worth considering appointing government liaison personnel to work closely with foreign controlled corporations in assisting them to co-operate with our guide lines policy. In the case of new companies entering Canada, they could well assist these companies in locating in this country, establishing domestic contacts and sources of supply, while being guided in the direction of good corporate behaviour.

In my own contact with senior officials of Canadian subsidiaries of foreign corporations, most of whom are Canadians, I have found them eager for more specific guide lines and requirements. Only in this way can they influence their patent companies in New York, Chicago, Minneapolis, or wherever they may

be located. These people are practical businessmen and they abide by the laws. If we do not provide more than pious platitudes, they will naturally react in a platitudinous manner.

Research and development, another concern, at present receive assistance in well defined circumstances. There is, however, a need for a more open-ended and open-handed approach. I would suggest that smaller companies be given grants, or preferably tax abatement, for a more free-whelling approach to research and development.

Some time ago I suggested to the Department of Industry that benefits might well accrue to the company and economy if qualified engineering personnel could be hired to seek out areas for development. Such a program might initially involve the hiring of only one person who might well spend the first six months or a year reviewing existing products, scanning the markets, investigating customer requirements domestically and abroad for new equipment or products. A 50-50 cost-sharing program was suggested for a specific period and with a ceiling on expenditures, after which time progress would be reviewed. Following such a period, the arrangement could be continued, terminated, or moved to another agency such as PAIT, if there was sufficient promise. Reasonable care would have to be exercised to ensure the integrity and capability of applicants. The term "reasonable" is used advisedly. While the majority of efforts might well prove fruitless, a small percentage of successes could well pay off handsomely from a brainstorming approach throughout industry. We need a lot more daring.

It is interesting to note that there is an agency called PIDA. This is the Pharmaceutical Industry Development Agency. I just happened to learn about PIDA when studying the new drug legislation with the Minister of Consumer and Corporate Affairs. From what I have seen of the PIDA plan, it could well serve as a pattern for the type of research encouragement that would give all facets of industry the type of incentive assistance needed for accelerated research and development. This could also ferret out development oriented small companies which could contribute mightily to our progress.

What about selling some of our assets to foreign companies? The sale of minority interests in Canadian corporations to foreign companies with facilities or expertise which may aid materially in their growth might be worthy of consideration.

• (4:00 p.m.)

An example, which for any number of reasons may not be desirable, is Polymer Corporation. Last summer a senior official of an American based international chemical company asked my opinion on the possibility of purchasing Polymer Corporation. I had just become a member of parliament at the time and I did not know it was not mine to sell. He indicated it was felt that currently Polymer has not maintained the growth and profit potential others felt achievable or in keeping with the chemical industry in general. Of course I felt there was no way that this crown jewel of crown corporations could be touched by foreign capital.

If, however, the foreign company could make a significant contribution to the growth of Polymer, perhaps a compromise approach should not be discounted. I therefore asked my friend—I was bargaining on your behalf, gentlemen—if his company would consider purchasing 49 per cent. They wanted 100 per cent. On being pressed he said they would consider 50 per cent. On being asked if they would consider 49 per cent as the only possibility, he answered affirmatively.

The point in this exchange was to determine how much Canada can get when we are in a position of strength, be it Polymer Corporation, mineral deposits, or any other assets which are attractive to foreign interests. I suspect that we could do appreciably better than we have in the past, particularly on new development, with the Canada Development Corporation providing the domestic capital where it was not previously available.

The converse may also have merit. Canadian investment in non-resident foreign companies, particularly to acquire technology, markets and management, may well be worth consideration. Within a week of the previous exchange on Polymer Corporation last summer I was visiting a privately owned U.S. corporation in Indiana, with which my company is associated and which is a world leader in its field. The purpose of the visit was to determine the reason for certain inefficiencies which were developing. Following exploration it became apparent that some of the frequent failings of several generations of family management were responsible.

It is quite likely that this company could be acquired and part of its production transferred to Canada. It is engaged in the production of machinery of which Canada is a major importer. The potential of the company is sufficient to maintain the efficient operation of

the American facilities without considering export from the United States. Similar Canadian facilities such as Canadian Vickers, Canadian Machinery Company, Dominion Engineering, Sherbrooke Machineries, John Bertram and Sons, and many others, frequently operate below capacity or on a boom or bust basis.

The Canadian and export production, even some of the United States requirements of the Indiana company, could be manufactured in Canada in what are currently marginal operations. Excellent second echelon management and engineering skills already exist in the American company, though these may well be dissipated if the existing family management continues its rather demoralizing course.

The point I am trying to make is that Canadian industry might well join the growing family of international corporations. A company like Polymer, already international but with a relatively restricted product range, may well develop better by association and the sale of minority holdings to a foreign company. It is possible that by a sale for stock it could acquire a controlling interest in the foreign company. This might be a good reason to sell 100 per cent. By selling 100 per cent of a company like Polymer to a much larger American company this might give us the leverage to control. We should not discount these things completely. Failing this, however, the proceeds from a cash sale of minority stock could enable the crown or the Canada Development Corporation to acquire a foreign company that would be profitable and also facilitate the establishment of heretofore unavailable major Canadian operations.

Subsequent to the establishment of the Canada Development Corporation it may be wise to include in our guidelines or legislation—I prefer legislation—a proviso that in the event of sale of a controlling or significant interest in Canadian companies the Canada Development Corporation be given the right of first refusal. This should go beyond the present intent of discouraging further Canadian companies being sold to foreign interests, but to apply particularly to assets already foreign owned, the recent Brinco-Rio-Tinto-Bethlehem deal being an example where it may have been prudent to have Canadians, through the Canada Development Corporation, in control of the Churchill Falls development. In any event it would have been somewhat gratifying to have at the least Canadians participate in a decision affecting a major natural resource and public utility.

[Mr. Danson.]

All of this, Mr. Chairman, must include a study of our educational goals. Education in the various skills requisite to an industrial economy cannot be overlooked in any program or legislation for Canadians to assume a more effective role in their own future. The superior management skills of the United States are sadly lacking in this country. Top calibre graduate schools in management, as well as engineering, law, economics and other fields, are essential if we are to keep pace in a far more complex and highly technological society and economy. The federal government could set the pace by determining which of our universities are best suited to establish schools of international stature in specific disciplines and providing the necessary funds. Highest priority should be given to schools of business management.

As I said previously, these are in the nature of random comments from perhaps a narrow viewpoint. My hope is that they may help get the Watkins report off the shelves in government, academic and corporate offices and into the arena of political discussion, which is where we are now and where my hon. friend from Broadview was when he spoke.

We must avoid being overprotective in our approach. Industry does not require coddling; in fact it suffers from it. It does, in our particular Canadian economic milieu, need the proper climate and encouragement which only government can, and should, provide. As a Canadian businessman, however, I welcome the challenge of the opportunities and competition of a free and open market as long as it is on more or less equal terms.

In my short experience here we have spent a great deal of time, quite properly, discussing the problems of agriculture and fishing. Those from urban areas fully understand that all parts of this country and all aspects of its economy are interdependent. I am sure that those from non-urban areas are equally aware of this and will be equally interested. These exchanges in this house are invaluable in making us aware of one another's problems and sensitive to them. It is only in this house where one can gain this vital perspective, or I prefer to say balance.

Before concluding may I express a word of caution. We must be well aware that the problems about which I have spoken are not the fault of foreign investors. They are problems for which we can only blame ourselves. It is therefore critical to our friendships, international relations and our economy that

we do not misconstrue evidence of enlightened self-interest manifested by talk of reasonable economic nationalism. When we speak about foreign investment we are almost always thinking about American investment and American economic, as well as potential political, domination. It would be a tragic error to carry this even close to the point of anti-Americanism for we have no better friends anywhere and our present high standards of living would not have been possible without them.

In my rather extensive relationships with American businessmen I have found them warm, fair and energetic friends who exercise their own reasonable degree of self-interest, combined with a unique generosity that we should nurture and cherish. They are a more vocally patriotic people than we are, but when one explains to them our own love of country, our own social and economic aspirations, they almost always respond with understanding. If we set down reasonable, clearcut rules rather than vague guide lines I am confident that they will continue to participate with us to our mutual benefit.

Quite restrictive rules on foreign investment in countries with far less in common certainly have not deterred the irrepressible and admirable American businessmen. There is no reason to believe that our own really quite modest and positive actions would lessen their desire to profit with us rather than unduly exploit us, because we designed our laws to encourage this or, more accurately, failed to design laws to prevent it. The danger is not from initiative abroad. The danger is from lack of initiative right here.

• (4:10 p.m.)

[*Translation*]

Mr. Ricard: Mr. Chairman, I want to take advantage of the study of the budgetary resolutions concerning the customs tariff to make new representations to the government to get it to grant the necessary protection to two very important industries for the province of Quebec in general and the city of Saint-Hyacinthe in particular, namely the textile and the footwear industries. Those two industries are now facing very serious difficulties and unless the necessary steps are taken, they will both be forced to reduce their staff considerably, a move that will affect the economy of the cities concerned.

Mr. Chairman, the difficulties which the textile industry is now experiencing did not arise suddenly. In fact, I have here some newspaper clippings which indicate the difficult situation in which the textile industry finds itself.

For instance, on December 16, 1966, the Montreal *Star* published an article entitled "Cotton Mills Upset by Blended Imports" which mentioned the concern felt by Canadian industrialists about imports.

On April 5, 1967, one could read in the Montreal *Matin* an article entitled "Dominion Textile shuts down the Merchants plant in Montreal". There again it was a plant without enough orders which had first to reduce its staff and then close down.

On April 3, 1967, the newspaper *La Voix de l'Est* pointed out that the Thor Mills company was faced with a drop in production. The management had to lay off temporarily a number of employees, which caused some concern not only among the workers but also among the municipal authorities.

On May 15, 1968, *La Parole* of Drummondville, stated the following:

> Templon Spinning Mills is facing serious difficulties because of imports.

Mr. Webster, vice-president of the company, warned employees accordingly.

According to the March 16, 1968 issue of *La Voix de l'Est*, lay-offs at Esmond Mills, of Granby, resulted from a lack of orders.

We know also, and I dealt with that recently, that Goodyear Company had to lay off 170 employees. Yamaska Shirt Limited, of Saint-Hyacinthe, had to reduce its staff by half, and Victoria Shirt, of Arthabaska, had to close down.

In the *Globe and Mail* this morning, I read a report to the effect that some Canadian companies had lost as much as 35 per cent of the Canadian market because of imports.

Such a problem, Mr. Chairman, is enough to disturb us and I think the government should take the necessary steps to reassure manufacturers as well as people working in the plants.

Apparel Manufacturers Council of Canada is supposed to meet the cabinet this week and make representations. This manufacturers association would like to set up a quota system restricting the total amount of clothing imports into Canada. We know that at the beginning of last October, representatives of the textile industry, as well as representatives of three trade unions of the province of Quebec, met the cabinet to make known their views and requests that restrictions be imposed on imports of textiles coming from

countries where the income is a great deal lower than that of Canadian workers. It is most important that the government should deal with this matter immediately, instead of waiting until it is too late.

According to the Apparel Manufacturers Council of Canada, in certain sectors of the industry, the Canadian market has diminished from 95 per cent to 60 per cent since 1957. These facts, Mr. Chairman, cannot be mentioned without saying or implying that a number of Canadian workers have lost their jobs.

Last year, for example, the Canadian textile industry had about 95,000 employees and produced 1 billion dollars' worth of goods. If there is nothing to protect in this industry, I wonder with what industry the government should concern itself. The most worrying competition is that of the low income countries. We are forced to compete with countries which pay their workers 30 or 35 cents an hour, whereas Canadian workers are paid well over $2 an hour.

Therefore, Mr. Chairman, for our industries to continue to operate, it is necessary that imports be appraised almost at the same level as the corresponding Canadian products. Otherwise, the textile industry—maybe also the shoe industry—is doomed to disappear, sooner or later.

In 1967, for example, always according to the association I mentioned above, there were 74 fewer clothing manufacturers than in 1966. Within twelve months only, Mr. Chairman, 74 closed down. In my opinion, that is a reason for the government to act. If it wants to establish a just society, it must see to it, first of all, that Canadian workers are treated fairly.

Of course, the question is not to stop trading with foreign countries. We are all in favour, provided that it is not always at the expense of the Canadian taxpayers.

Mr. Chairman, I should now like to make a few remarks concerning the shoe industry.

The shoe industry is also faced with very unfavourable conditions because of imports from underdeveloped countries. I have here a brief presented to the federal cabinet on November 16, 1967. In this booklet, we see for instance that the leaders of the industry are concerned about the fate of their industry, sooner or later, if their recommendations to the government are not implemented soon.

In this brief, I read the following:

In 1965, 1966, and earlier this year, the Shoe Manufacturers Association submitted to the Canadian committee on tariff and trade a series of briefs dealing with the Kennedy Round then in progress. In the hope that the document and representations contained in these briefs can prove useful to those who, in the future, will study the problems of the shoe industry, we are including copies for reference purposes.

We are deeply interested in the work of your committee for, in the past, the Department of National Revenue did very little as a result of our reiterated protests against the low and ill-founded customs appraisal on shoes, which are increasingly exported to Canada from Czechoslovakia and other communist countries in Central Europe.

The existence of a situation that is clearly detrimental to a specific segment of the Canadian shoe industry is the very basis of our claims and problems, as yet unsolved, which we have time and time again been submitted to the federal authorities with regard to the dumping of Czechoslovakian shoes; consequently, the Shoe Manufacturers Association considers that it is urgent and imperative to pass legislation conforming with the GATT anti-dumping code and the legitimate aspirations of the shoe industry in Canada.

What dangers do the officials of the shoe industry foresee? I continue my quotation:

The dangers threatening the shoe industry are above all, as follow:

(1) Japan, Hong Kong, Pakistan, India, Formosa, countries where the wage level is very low, and where the law of supply and demand frees a huge quantity of shoes for overseas dumping;

(2) Czechoslovakia, Poland, China and other communist countries where industries are owned by state controlled agencies that can sell goods elsewhere, at any price, the production cost of which no one knows;

(3) European countries with low wage scales, such as Spain and Italy.

And the officials remind us that:

The Minister of Finance stated that the government "intends to see to it that in Canada the anti-dumping duties are promptly and efficiently applied".

Mr. Chairman, when one knows that, since 1963, 29 shoe factories were forced to close down and that, among those, 13 were located in the province of Quebec, it is easy to understand why I should want to point out to the government this important matter of the progressive loss of industries which, at one time, were closely related to the economic structure of our cities, particularly in Quebec.

• (4:20 p.m.)

And the last part of the brief reads as follows:

We firmly believe that a full definition of the domestic policy of the federal government is essential to issue directives:

(1) To those whose responsibility it is to formulate new legislation;

(2) To those who are appointed to see to it that the legislation to be amended is administered quickly and effectively;

(3) To those who could appear before the new board to ask for its help.

Could we be allowed to say with the greatest conviction that at the same time the code is put into force, it will be most urgent to make important changes in the organization and operation of several government agencies which administer the code and the Customs Act, as otherwise footwear manufacturers will have to face dumping and discrimination on a larger scale.

The words "quickly" and "effectively" used by Mr. Sharp should be printed in large type and posted in all offices occupied by senior officials who administer the code.

Mr. Chairman, in view of what that brief says, it is easy to see that the business leaders in the footwear and textile industries are worried and asking to be protected, not in such a way as to eliminate competition but to continue in business, because they are convinced that they contribute to the development and the growth of our country.

Mr. Chairman, may I be allowed, before ending my remarks, to read a few extracts from a speech made by Mr. F. S. McCarthy, vice-president of Du Pont of Canada Limited, at the round table on the industry's opinion about Canada-U.S. free trade, at the annual congress of the Canadian Textile Institute held in Quebec City on June 14, 1968. I quote:

As a Canadian and businessman, I feel that the growth and development of the Canadian economy —if not the Canadian identity itself—are seriously jeopardized. That danger is imputable to the ever-spreading belief that free trade—or at least a much freer trade—would indisputably be advantageous to Canada.

A little further, he said:

I maintain that the amendments to tariffs and anti-dumping policies by the Kennedy Round agreements will have a very unfavourable incidence on the Canadian industry of synthetic fibres. Any other measure for the total abolition of tariffs and anti-dumping policies would gradually emphasize such an incidence to the point of stagnation and eventual disappearance of the industry in Canada.

Those are very serious warnings which should not be dealt with without due consideration.

Further, Mr. McCarthy said:

However, as free trade will have the effect of eliminating as it were the reasons for the existence of Canadian manufacturers of synthetic fibres, there would be no reason for enlarging existing plants. Any increase in the demand on the domestic market would rather be met by a slight increase of production in United States plants or by a marginal enlargement of established plants. Likewise, existing Canadian plants would not be modernized for producing new improved products which will surely appear on the market. This means that, in an industry such as that of synthetic fibres, where products and manufacturing processes change with a startling rapidity, established plants would not be long in becoming obsolete.

Similarly, as free trade eliminates the possibility of manufacturing new products in Canada, there will be no more justification for assigning expenditures to research in our country.

That is indeed a very dark picture, but there is even worse. In view of the strong American hold on our industry, the logical attitude in the face of an essentially North American market would tend towards centralizing the decisions within the American parent company; this means that the Canadian industry would become a mere subsidiary within the overall organization. Indeed, production costs in Canada could be reduced by transferring numerous administrative functions to the parent company. However, that would mean a loss for Canada of administrative, management, technical and research positions.

Mr. Chairman, I trust the parliamentary secretary to the minister (Mr. Gray) will take into account the warnings of a competent businessman and see to it that our industry is not constantly struggling against increasing difficulties which result in Canadians being thrown out of their jobs while they deserve to be protected and to earn an honourable living.

• (4:30 p.m.)

[*English*]

Mr. Burton: Mr. Chairman, when the Kennedy round of negotiations was first undertaken there were great hopes and expectations as to what might be achieved. Now that the negotiations have been concluded we can take a look at the results. I think it will be generally agreed that there have been modest though significant achievements in some areas of world trade. However, in spite of the progress that has been made I think we should take care not to overestimate the impact of the changes that have resulted from this round of negotiations. This point was made by Mr. David Slater in an article in "The Canadian Banker" of autumn, 1967, when he concluded:

One should thus be sceptical of the allegations that tariff levels on industrial products will be at very low levels after the Kennedy round agreements are in force.

These gains could be wiped out very quickly if there are any significant changes in world attitudes toward trade and trade problems. I think this fact does demonstrate the need for continuing efforts to free world trade from both the tariff and the non-tariff

barriers which still impede the free movement of goods. Some of the concerns with respect to trade and the changes that are being introduced in the house at this time have already been discussed by some of my colleagues, and I do not intend to go over the same ground again. However, I would like to take two areas of concern and discuss them this afternoon. The first area is with respect to some of the concerns regarding the agricultural industry. Agriculture, of course, is very vitally concerned and interested in the Kennedy round agreements.

First of all, one development of the negotiations was the conclusion of the international grains arrangement. I think it was generally agreed that this was a distinct achievement in the field of world trade. However, in spite of this achievement and the gains made, it is now apparent and clear that there are some very serious problems with respect to world trade in grain. These problems have developed in spite of the achievements accomplished through the conclusion of the international grains arrangement. The details of some of these problems I will leave for discussion on another occasion.

I think we should also take note of the general pattern of tariff changes which has resulted from the Kennedy round, particularly with respect to the impact upon industrial products and agricultural products. Mr. David Slater, in the same article to which I referred a few moments ago, also commented on this aspect of the negotiations. Mr. Slater stated, as found on page 6 of "The Canadian Banker" of autumn, 1967:

> The Kennedy round negotiated a multi-national cut in tariffs on industrial products. Aside from a new international cereals agreement and small cuts on a limited range of agricultural tariffs, little agricultural trade or protectionism was revised. A great disappointment is the failure to reduce significantly the high levels of agricultural protectionism now in the world. We shall deal almost exclusively—

Then he proceeds to deal with some of the aspects of the industrial tariff changes. Later in the same article Mr. Slater notes:

> —the maze of agricultural protectionism and barriers to agricultural trade, which has been accentuated since the early 1920's, remains virtually unchanged by the Kennedy round.

In noting the tariff reductions that have been made in the field of agricultural products, we note that the United States has made some concessions. Some of them have been significant concessions. However, Canada has also made concessions in some agricultural products. Some of the changes as they affect Canada and the United States were summed up in "Foreign Trade" of July 1, 1967, when it was stated:

> Canada and the United States are providing free entry both ways for apples, turnips, maple sugar, maple syrup, certain berries, many grass and forage seeds, hay and straw. Duty reductions of 50 per cent, in parallel with the United States, are made on fresh pork and fresh carrots. In addition, out of season rates are reduced or removed on certain fresh fruits and vegetables, including brussels sprouts, corn on the cob, parsley, radishes, green onions, apricots, sour cherries and plums.

There is a distinct impression and a suspicion in some areas of the agricultural industry that Canada did not come off quite as well as it might have in its negotiations with respect to agricultural products. I have made inquiries of farm organizations in some circles to find whether a full analysis has been made anywhere of the impact of the Kennedy round negotiations on the agricultural industry. While such an analysis may exist, my own search did not turn up an adequate analysis of this matter.

There is great concern with respect to this problem because of the general state of the agricultural industry at the present time and because of concern for the impact of these changes on particular aspects of the Canadian agricultural industry or particular sectors of that industry. The fact is that the agricultural industry is concerned because we see examples of tariff changes which are being applied for on some products of importance to farm people. Most recently there has been an application for an increase in the tariff on twine, which would certainly add to farm costs. As has been noted by the National Farmers' Union, any price increase resulting from the imposition of a tariff on imported binder and baler twine would be borne solely by farmers who possess no means of passing on cost increases.

In some of the hearings in the finance, trade and economic affairs committee, which were referred to by a previous speaker, evidence was taken with respect to the proposed anti-dumping code. One area of concern with respect to the anti-dumping code was its impact on a number of agricultural products which are produced in Canada but which have to face competition from end of season surplus exports from the United States in particular. It was noted by some of the experts who were called before the committee that in fact the anti-dumping code would not help to deal with some of those deeply rooted problems within the area of the specific problem being dealt with in the anti-dumping

code. I think this illustrates some of the problems with which we have to wrestle and be concerned about.

I would urge that the government give full study to the impact on the agricultural industry of the various changes and that it keep a continuing watch on and give continuing consideration to the situation facing the agricultural industry, among others. After all, Mr. Chairman, Canadian agriculture does have a vital stake in free trade in the world. This was pointed out in a report on the Conference on International Trade and Canadian Agriculture which was held in Banff in January, 1966. Dr. W. J. Anderson noted in summing up the papers that were given at that conference:

> What should be Canada's attitude towards freedom of international trade in agricultural products? The answer given by the participants, expressed in the final statement, was that freer and expanding trade in these products would be in the best interests of Canadian agriculture and of the country as a whole; they further recommended that the achievement of freer trade, including agricultural products, should be a major objective of governmental policy.

One area of concern, as I was trying to point out a minute ago, is the suspicion and concern that possibly Canada gave more than it received with respect to tariff changes involving agricultural products. The Conference on International Trade and Canadian Agriculture also considered this matter quite extensively, as I have noted. Dr. Anderson, in the article to which I have just referred, went on to discuss further Canada's role with respect to agriculture and world trade. The following question was faced by the conference, according to Dr. Anderson:

> What could Canada do to implement the role of freer trade in the world at large?

He noted a number of discussions that had taken place, as follows:

• (4:40 p.m.)

> The participants concluded that there was an important place for multilateral discussions with the objective of reaching comprehensive agreements on major commodities. These arrangements would be made between importers and exporters covering all aspects of trade, including conditions of access and levels of prices. If it should not be possible to follow a multilateral approach to commodity agreements, then the conference recommended that the next best would be to obtain organized access to the markets of individual importing countries by special arrangements between suppliers and importers; the conference noted that there was already an example of the application of that technique contained in import arrangements used by the United Kingdom.

We should note as well, Mr. Chairman, that Canada is the fourth largest exporter of agricultural products in the world. Canada, in considering its possible role with regard to the agricultural industry, has to note its position in relation to other countries in the world. This point was also discussed at the conference in Banff in January, 1966. Dr. Anderson, in summing up some of the papers presented to the conference, noted some of the points we need to keep in mind. He said:

> A significant point brought out by MacEachern was that Canada maintains an over-all comparative advantage to the rest of the world in agricultural production. There is a relatively stable advantage in a number of products which include wheat, barley, flaxseed, rapeseed, milk production, grade dairy cattle, some cheeses, tobacco, turnips and some fruit. Then there is a competitive advantage relative to the United States which varies by seasons and regions, and includes feeder and slaughter cattle, hogs, eggs, apples and potatoes.
>
> The competitive advantage which Canada enjoys relative to the rest of the world has been reduced over the past decade or so; this change has been masked by the magnitude of the wheat exports in recent years. MacEachern listed many factors that had contributed to rising costs of production including the high level of industrial activity which served to increase farm wages 4 to 6 per cent per year. The price of purchased inputs has increased at about 3 per cent per year and certain inputs, for example, fertilizer, are more costly in Canada than in most countries. The gain in productivity of about 3 per cent per year has offset some of these costs but not enough to improve the net income of agriculture.
>
> MacFarlane noted that restraints on trade account for much of the pattern of structural changes in importing countries. These restrains tend to distort the comparative advantage of most farm products. He suggested that Canada may have lagged in the adoption of farm business organization and practices consistent with rapid improvement in efficiency. He said that there is need for improvement in the internal organization and operation of Canadian farms and in product and factor markets. He deemed it particularly important that the relationship of the agriculture of the United States to Canadian agriculture be critically examined in view of its importance as our largest market and strongest competitor.

This, I think, does demonstrate the need for particular concern when the government has tariff changes under consideration. I do not raise the problems affecting the agricultural industry in any way to the exclusion of the problems that will be faced by some other industries as well.

There is a second major point I should like to discuss, and that is the need to achieve some shift in Canada's trading pattern. I think it is recognized and does not need any elaboration that trade with the United States

plays a very large role in Canada's total trading pattern, and that some persistent problems have arisen and have continued as a result of this trading pattern.

In discussing this topic, of course, I think we do need to use some common sense economics, if I can put it in that way. I believe it is only natural that Canada should have a great deal of trade with the United States. After all, it is our closest neighbour; it is a country with a high degree of technical and industrial organization. It is only natural, therefore, that a great deal of trade can be carried on by Canada with the United States to our best advantage. However, I think that the point has been made, and can be made quite validly, that it would be to Canada's advantage if we could shift some of our trade to some other parts of the world, countries which would like to trade more with us in order that they could obtain the currency with which they would be able to buy some of the products we export to our advantage and to the advantage of the importing countries as well.

I should like to suggest that one area in which we need to attempt to achieve some shift in terms of our imports is with respect to our trade in light consumer goods. Most of our light consumer goods we now obtain from the United States. I suggest that many of these goods could be obtained from countries other than the United States to our advantage. These goods obtained from other countries would be cheaper or as cheap as goods coming from our present source.

This course would not result in the loss of any jobs for the people of Canada. It would give other countries the purchasing power that would be necessary to purchase some of our exports. It would produce a better balance of trade between Canada and the United States as well as between Canada and some other countries with which we trade. This does not happen at the present time. There is no real impetus to achieve such a shift in trade. I would suggest that this is because there is at the present time a high degree of United States ownership of much Canadian industry and of significant segments of our retail and wholesale distribution systems. This situation develops as a result of the verwithin some of the multi-national corporatical internal lines that have bee ndeveloped tions which now have such an influence on our own economy and on the economies of other countries in the world. I suggest, therefore, that the Canadian government needs to take very strong steps, and needs to take them urgently, to redirect our trade and to achieve a better balance of trade. I stress the fact that the field of light consumer goods is one in which we could take a first step to achieve a better balance of our trade pattern in the world.

• (4:50 p.m.)

[*Translation*]

Mr. Rodrigue: Mr. Chairman, I was pleased to listen to the statistics mentioned by the hon. member for Saint-Hyacinthe (Mr. Ricard). There is really an alarming situation in the textile industry and in the shoe industry.

Let us look only at the changes that have taken place in the Canadian imports of synthetic fibres. Canadian exports of synthetic fibres and other synthetic products have gone up from 191 million square yards in 1966 to 196 million, but they have not reached the record figure of 197 million square yards of 1965. A large increase in the volume of clothing imports explains the great change that has happened last year on the market by comparison with the previous year. The imports of synthetic textiles—fabrics, various products and clothing—reached in 1967, 123 million square yards, as compared with 113 million in 1966. On the other hand, imports of clothing amounted to 33.5 million square yards in 1967, compared with 21 million square yards in 1966, which gives an increase of 57 per cent.

Due to the increase of Canadian imports and shipments, the total apparent market of synthetic textiles made in Canada rose from 292 million square yards in 1966 to 306.2 million square yards in 1967. Since imports grew more than exports, the part of the total market taken by the domestic industry declined from 61.3 per cent to 59.8 per cent. This, in part, explains the capital expenditures of the last few years. For the year 1967, the amount of capital expenditures is estimated at $51 million, compared with $54 million in 1966, and $88 million in 1965. Moreover, in the year 1968, capital expenditures are expected to be close to $40 million.

This means that there is no longer any confidence in the textile industry. Due to the new free trade agreements among several countries, our position will be even worse, because our population is ten times less than that of our largest competitor, the United States. Even though tremendous efforts have been made in the field of investments during

the last ten years and everything possible has been done to reduce administrative costs, to improve our production methods and to decrease our prices, we must meet the very substantial competition from our neighbour to the south that is capable of producing twenty times as much as we can. Although some of their industries do not control their production methods as efficiently as we do, they are still capable of flooding our markets with their surplus products. Furthermore, profits realized by the textile industry do not encourage more investments. For some years, profits have decreased to such an extent that even new investments deriving from those profits have become almost impossible. The situation is really alarming.

Moreover, the majority of the textile industries are located in the province of Quebec and, within a few years, we shall have to deplore the loss of many jobs, which will significantly increase the number of the unemployed in the province of Quebec.

I should like to tell the hon. minister that several textile industries in Quebec are faced with another problem which, in my opinion, is rather significant. It will be necessary to study manufacturing and production costs because of the fact that most of the raw materials have to be imported from outside Canada or from neighbouring provinces, which contributes to increase tremendously the transportation costs. Then, these people have to export their products to large cities, such as Montreal, Toronto, etc. and this contributes to a tremendous increase in transportation costs.

It might be advisable and important to review the transportation problem as far as the textile industry is concerned because, in my opinion, this problem is already relevant in several cities which will be affected in the future due to the competition from foreign industries.

The shoe industry is struggling with exactly the same problem because it has barely 40 per cent of the domestic market, which means that roughly 60 per cent of the shoe industry market is in the hands of foreign industries. The hon. member for Saint-Hyacinthe (Mr. Ricard) mentioned certain countries in Asia; to those, France, Italy and many other European countries should be added, since they have become the main exporters of shoes to Canada. It might even be advisable to conduct a little investigation here, in parliament. We might find that many of us are wearing shoes made in foreign countries.

We certainly cannot categorically oppose the Kennedy Round agreements because we must accept foreign trade and even further consolidate our own position in foreign markets.

On the other hand, we must recognize—I accept the fact as it is presented to us—that foreign goods must be bought if we want our country to sell abroad.

Those are roughly the considerations I wanted to add to the remarks made by the hon. member for Saint-Hyacinthe.

[*English*]

Mr. Thomson (Battleford-Kindersley): Mr. Chairman, I have just a few comments to make on this legislation. First of all I should like to comment on the remarks that were made by the hon. member for Saint-Hyacinthe which were reinforced by the hon. member for Beauce. I feel a measure of sympathy for the textile and shoe industries which are facing problems today. As one who has lived in Canada for 40-odd years and has had to put up with a similar number of winters, I cannot help wondering, especially during recent winters, why the Canadian clothing industry has not produced clothing that is more adequate for our winter conditions. I do not care whether more adequate protection is given to us in the form of underclothing or overcoats, but our present products do tend to be inadequate for current Canadian winters.

I suggest that if the clothing industry had specialized in this type of clothing it might not only have a goodly percentage of the Canadian market but would also be exporting clothing. In northern Canada the most adequate type of winter wear is one suit of caribou skin turned inside and another suit of caribou skin turned outside. I suggest that people living in the north deserve something better than this. Our winter clothing is bulky, awkward to handle and unattractive in appearance. It is high time the Canadian clothing industry took a really serious look at dressing Canadians in more adequate fashion for our winter weather.

I do not intend to discuss the tariff legislation to the degree the hon. member for Broadview and the hon. member for York-North did. However, I should like to congratulate the hon. member for York-North on his mental initiative in trying to solve some

of the problems of Canadian ownership, trade with the United States and so on. Since he is a backbencher and not a cabinet minister I presume he has been speaking for himself and not indicating government policy. Nevertheless I congratulate him for looking for solutions.

I should like to put in a word of warning here, Mr. Chairman. It seems that those fine fellows the Americans always seem to come out best in a trading deal. I have a great deal of respect for the trading policy of the down east Yankee, but I suggest that in improving our associations with the Americans so far as trade is concerned we should take a great deal of care that we do not come off second best, as I suggest has frequently been the case in the past.

The continuing expansion of the Canadian economy demands that we continue to seek an ever larger market for our products both at home and abroad. We should resolve not only to increase sales but to seek a wider base for trading by diversifying our products and by trading with more countries.

I should like to pause for a moment and suggest that in trading with the new nations of the world we establish a base market which might continue for some time to come. Once having secured a foothold in a foreign country or in a country that likes our products, that country may continue to buy from us for several reasons. First, they like our products. Second, a series of service outlets has been set up to service the products. Trade names become almost part of the industry. Take, for example, aspirin. This is now almost synonymous with a headache tablet. Frigidaire is almost synonymous with refrigerators.

• (5:00 p.m.)

If we can establish such a market in some of these new developing countries, we may be able to trade with them for a long time to come.

I would even suggest that we might consider giving a little credit and further encouragement to exporters. When one considers what some other countries are doing one realizes immediately that if we wish to continue trading on the international market we had better be prepared to do something about it. We must remember that the United States has raised its export promotion budget by $200 million, is presently planning a substantial increase in the guarantees and credits

[Mr. Thomson (Battleford-Kindersley).]

provided by import and export banks, and that the United States administration is also introducing a new export subsidy program. This is what another country is doing, but what are we doing in an effort to expand our trade? In view of the increasing competition from foreign countries I believe it behooves us as Canadians to display some initiative in establishing some of the products that we have for sale and selling them to other countries. As we do so, perhaps a longer production line will bring about a lower unit cost to Canadian consumers.

I would suggest also—and perhaps this is a negative comment—that we should consider the fact that we may be shut out of some markets. I noticed a comment in today's *Globe and Mail*, which was also made on television last night, that the Canadian government is actually fearful of what Richard Nixon, the new United States president, is going to do so far as trade is concerned. We all realize that the European common market was set up to benefit Europeans. At the time I thought it was a good thing, but when we actually see them discriminating against us in protecting each other I suggest that it is not always as beneficial as it might be.

One wonders, when one sees some foreign countries establishing for political reasons such things as hedges with regard to flour, for example, whether they would not be wiser to buy flour from us. It behooves us to try to broaden our trade in every possible way with as many countries as we can and increase our sales abroad of items that we produce in Canada. In effect we are not so exposed to any currency block and we have a wider base than many other countries. Canadian politicians tremble when there is an election in the United States. I believe we should try to avoid such reactions and by doing so widen our trade with all countries in the world.

[*Translation*]

Mr. Caouette: Mr. Chairman, I wish to add a few comments to the discussion by the member for Saint-Hyacinthe (Mr. Ricard) and by my colleague for Beauce (Mr. Rodrigue) concerning the shoe and textile industries in Canada.

It is well for the government to make statements concerning the abolition of customs tariffs in order to encourage exports of our products, etc.

However, it must be realized that Canada having only 20 million people, our production per capita is approximately one fifth that of the Americans and this means that production costs are higher than elsewhere. As a result, countries buying our products must be granted subsidies.

In shoe industry, for instance, there are extensive Japanese shoe exports to Canada, in addition to our trade with France and Asian countries. The situation is the same with regard to textiles, because of our trade with Japan and the United States and due to some American control on our industry.

As I was saying, production costs are somewhat too high in the United States for economic reasons resulting from higher salaries. Some firms have chosen, like the United States to establish plants in Japan where salaries are definitely lower than in the United States. Consequently, it is cheaper for Americans to have certain products manufactured for themselves in Japan and to dump the goods in other countries. Canada is also subject to this dumping policy, as are other countries importing American products.

Of course, Mr. Chairman, we are looking for markets. This is the reason why ministers are now visiting South America with a view to finding markets for textiles, shoes, lumber and clothing, produced in Canada. Our ministers are travelling all over the world and naturally we have to grant subsidies or price reductions to those countries so that they can buy our products. However, let us not forget that those reductions are paid off eventually by the Canadian producer.

In short, we are becoming mere producers, who are not making any profits on the sale of our products. Even though it is necessary to find markets, we are not considering seriously the only possible market, which is the Canadian market. There are people who need those products right here in Canada. Indeed, there are in Canada at the present time some children for whom it is almost impossible to buy shoes so to enable them to attend school, and nobody is even considering the possibility of making grants for them. We are making some to the Chinese to purchase Canadian wheat; others are made to the United States to enable them to purchase our products; but the government forgets to make grants or pay a compensated discount to our Canadian consumers.

If the government would consider that, Mr. Chairman, we would arrive at an acceptable solution which would enable us to sell our products. Indeed, the Minister of Agriculture (Mr. Olson) recently made a quite interesting statement. I wonder whether it is because he is a Créditiste at heart, but on November 18—that is quite recently—during a speech delivered to the Institute of Agronomists of Central Ontario at the Seaway Towers Hotel in Toronto, he said the following:

> May I say first, Mr. Chairman, that the agricultural problem in Canada has nothing to do with how to produce because we know that.

Can one imagine such a statement on the part of the Minister of Agriculture or the Prime Minister (Mr. Trudeau) who tell us that our problem in Canada consists in increasing our productivity.

The Minister of Agriculture even said in Toronto that we know how to produce. We know that, but that is not the problem.

• (5:10 p.m.)

The minister stated:

> We know how to produce and in large quantities, enough for ourselves and for millions of other people throughout the world.

It is the Minister of Agriculture in the Liberal government who makes this statement.

> And this is just the beginning. Just give them an incentive and the Canadian farmers could not only double but, I would bet, triple their production within a few years.

The Minister of Agriculture in the Canadian government says that we could triple our production; therefore, the problem is not one of production.

> It seems to me that the obstacles to the increase of food production throughout the world are not of a technical nature. The difficulties relate to distribution, marketing, politics and planning.

Those are the words of the minister.

Mr. Chairman, this distribution problem has been with us for the past 25 years and what we are considering now is not a production problem but one of distribution of wealth in Canada. We forget to distribute it in Canada and we seek means to distribute it outside Canada. We are looking for markets throughout the world but we forget the domestic market, the Canadian market. There are 400,000 unemployed in our country who ask for the purchasing power required to purchase this production. This is indeed a market. Let us stop paying subsidies abroad, or let us continue to pay them if we have surpluses, but let us give first the compensation discount

to the Canadian people, the Canadian consumers, those who dedicate themselves and their work to the development of the Canadian production. Canada is not developed by the monkeys in the palm trees of Florida but by Canadian human beings, from all the provinces. We do not know how to dispose of our excess production. Everybody complains that there are too many goods, too many clothes. Plants are closing down because there are too many goods. In order to allow these plants and industries to resume production, emissaries are sent to all countries of the world, Africa, Asia, Europe, the United States, South America, Portugal, Spain and France, to find markets. What a situation! What a sight we are! We are laughed at because we cannot solve our domestic problems, while our first market is in our own country. That is where we should have a compensated discount for the Canadian people. However, there is no compensated discount at present for mothers of families, needy mothers in Montreal, Toronto or Vancouver, or large families. Prices, however, are increasing. Instead of giving a compensated discount to the Canadian workers, their income tax is raised, and then we are told that this is necessary to fight inflation.

We go to foreign countries to which we are ready to sell at a discount and grant any compensated discount in order to get rid of Canadian-made goods. Then we say that we are getting richer, that we are enriching the country, the Canadian people. All that is exported from Canada, we say, makes us richer. And if we import something into the country, then we say it is a trade deficit. That business of ours is really clever. Good accountants are at the service of the country, Mr. Chairman, and they know what the score is. As we say, they know their business.

Mr. Chairman, I think the time has come when the government has to consider the problem that faces us in Canada.

We agree that we must trade with other countries. But we have industries which manufacture products that can be exported easily. However, the government tells us that it cannot help them. I am referring to the gold mines.

Our entire production of gold is bought in advance by the United States. However, when we ask the government for subsidies to help our existing gold mines and to develop new ones, the government says: No, we would rather have them closed. They are kept in operation for social purposes only, in order to support families in the areas of Malartic, Val-d'Or, Rouyn-Noranda and Normétal and to allow them to die a slow death because, one says gold costs $43 an ounce while we sell it $35 to the United States.

Mr. Chairman, the government has to grant more subsidies and compensation for all the products exported by Canada to the United States or elsewhere than for the gold we export to the United States.

We are sure that all the gold we produce will be sold to the United States but we are not sure that all the wheat, textiles and food we produce will be.

The government says: We cannot do it; we would prefer to close the mines because we have to pay a subsidy of $8 per ounce for the production of gold. Such is the logic of the government. Dozens of new mines could be put in operation in our regions because all the production is bought. That would enable us to cancel our balance of payments deficit with the United States but the government says: No, subsidies have to be granted and we must not act too quickly.

However, in every other field of Canadian production, the government is ready to grant subsidies of up to 50 per cent. I would like to know at what price we sell our wheat to communist China, to Czechoslovakia or to Russia. No minister dares to rise and tell us what price we receive for the wheat sold to those countries.

The only thing we are told is: We have sold that many million bushels. But when we ask about the price, we are always given the same answer, that it is not in the public interest to reveal the settlements granted to those countries.

Production is the only thing that is in the public interest. To dispose of our produce, the government will give them, if need be, to other countries, but it is not in the public interest to know. That is a bright solution.

Mr. Chairman, we are discussing the Kennedy Round, call it what you will, call it the Gray Round, or any other round, it is not the solution to the problem. A while ago, I said that we must import from other countries. That is true. We want to export to balance our purchases, to have a favourable balance of payments with other countries. We therefore do not want to buy more from oher countries than we sell to them. Only, I maintain again that the best market is the Canadian market. But, for the Canadian market to be satisfactory, Canadians must have purchasing power.

If the compensations, a compensated discount, or the subsidies—and I repeat this because some ministers have a hard time understanding it, although my friend for Chambly-Rouville (Mr. Pilon) understands this very well, but there are some who do not—are every bit as important to Canadians as they are to foreign countries.

• (5:20 p.m.)

A while ago I said Canada had 400,000 unemployed. Those are the official figures, but there are others who are not registered. Some of them are not on the lists, but there are thousands who cannot find work and to whom $36 a week are given. What do you want a family-head to buy with $36 a week? Some people have not paid their rent for 5 or 6 months, have run up bills at the corner store for 5 months, 6 months or even a year. They are literally dispossessed because they do not have any purchasing power. Instead of giving them allowances, some compensation or a compensated discount on the goods they need, they have to pay new taxes. I mean direct taxes on income, the taxes which are reflected in increased prices. Some would claim that they are checking inflation while in fact they practice inflation through taxation to the detriment of our Canadian workers.

The unemployed in Montreal, Winnipeg, Vancouver or in Rouyn-Noranda are not asking for charity from the government. They do not like to draw unemployment insurance benefits only for the fun of it. These people ask for the right, the permission to earn their living honestly and honourably. They are not asking for anything else, but to produce more, and everyone knows that we could increase our production two, four or five times in a few years, if our economic system were organized in such a way as to satisfy the needs of our people: Produce to serve, produce to feed somebody, to feed our Canadians. Our production should first of all serve Canadians, and then, we could offer our surplus to other nations. Imports, yes, but exports also.

However, Mr. Chairman, we must begin by ensuring economic stability in our own country. Let us begin by stabilizing our own affairs. Let us give Canadian citizens purchasing power proportional to our production. Compensated discounts and the Kennedy Round will then no longer exist in order to satisfy a few financial interests, but will be used in the best interests of the Canadian people, by establishing a logical and objective economic system which will put the actual wealth of our country at the service of the Canadian people.

[*English*]

Mr. Gleave: Mr. Chairman, I wish to say something about the effect of the Kennedy round negotiations on the grain growers of western Canada. Traditionally we in that part of the country have been in favour of free trade, or one might say freer trade. I suspect the reason has been that living in the middle of a continent we have to move our products either east or west to Canadian markets and to world markets. In passing I may say that Canadian markets are very important to us. The people of Quebec, Ontario and the maritimes purchase our grains to feed their livestock and poultry. We cannot disregard the needs of people living in those trading areas because they, like us, are citizens of Canada.

As an individual I question the benefits that the Kennedy round negotiations brought to prairie farmers. If there are benefits they have yet to appear. Prior to those negotiations we had the international wheat agreement, which was working well. It included not only the so-called western nations but also the U.S.S.R., the most powerful nation behind the iron curtain.

In 1959 I sat in on the renegotiation of the I.W.A. Russia sat as an observer, and in 1962 it became a signatory to that agreement. But as a result of the Kennedy round negotiations among western nations, held under the GATT, we closed out participation by the U.S.S.R. in the international wheat agreement. As a result the U.S.S.R., one of the world's most important wheat and grain producers, is no longer bound by the terms, prices and trading arrangements made under the international grains arrangement, as the new agreement is called.

I watched with interest as the Kennedy round negotiations proceeded. They were slow and painful. Almost at the final point it seemed we would not reach any agreement on trade in grains. It was my impression that we moved from the international wheat agreement into the GATT negotiations largely at the insistence of the United States so that it would have access to European markets for its feed grains, a commodity as important to the United States as wheat is to Canada. But no sooner was that new agreement negotiated than the United States cut the price of its wheat exports and Canada encountered one of the toughest sales periods in a good many

years. At the time the new grains arrangement was announced by the government of the day I noted it was stated that Canada had gained access to $1½ billion worth of trade into the United States, but from our experience since then I doubt that our grain growers have gained very much.

Recently I examined press clippings covering the period from 1967 into 1968 when the Kennedy round negotiations were in progress, when they were completed, and when we moved into the present crop year. Looking at them it was as though a dear friend was in hospital and was getting worse every day until you thought you would get the news that he had expired. Some of them are headed, "No Basis For Final Bargaining," "Wheat Talks in Geneva May Hurt Farm Earnings," "Wheat Slump Hits The Prairies," "Far East Wheat Sales A Must," "Take a Chance Wheat Agreement Is U.S. Plan"—I thought that was a lovely one—"Wheat Exports Down By Half," "Wheat Situation Getting Serious Grain Board Chief Says," "Continued Lack Of Wheat Sales Worries the Growers," "Canada Losing Ground In the World Wheat Market," and so on. These tell a story.

Since becoming a member of this house I have told the Minister of Industry, Trade and Commerce that prairie farmers deserve a statement from him telling them where the agreement, reached as a result of the Kennedy round negotiations, is taking them. Some day we may have some reason for optimism. Some day we hope to have news that the patient is not going to die but may live a little while longer.

In various parts of Canada agriculture is in serious circumstances. I doubt very much that all the answers can be provided by simply tinkering with trade barriers because there are forces at work which disregard trade barriers. When a sugar company in the province of Ontario closes down its plant and the farmers have no place to take their sugar beets we have an example of a decision made in an area of agriculture which has nothing to do with tariffs or government policy unless such a policy exists somewhere behind the scenes, and I would not accuse any government of being behind the scenes in a deal like that. In some areas such as this decisions are made which cannot be affected by a simple, ordinary tariff approach.

• (5:30 p.m.)

We have free trade in respect of farm machinery with perhaps some exceptions, but anyone who is close to the scene knows that the prices of farm machinery have doubled and trebled over the last several years. Then we have the astounding situation of seven Ontario farmers going over to England and proposing to bring back seven tractors on which they will save $20,000. This is unbelievable. So the problems facing farmers will not be affected very much by tinkering with tariffs. I believe we must look farther than a simple manipulation of tariffs if we are to deal with the situations which face us.

[Mr. Gleave.]

On the editorial page of the *Financial Post* of May 23, 1968 there is an editorial headed "The French Wheat Gimmick." The French made a sale to China and for every bushel delivered at $1.18 a subsidy of $1.69 has been paid. The article states:

> Where did the money come from to pay that subsidy? It came from E.E.C's—
>
> The European economic community.
>
> —devastatingly protectionist mechanism, the variable levy on agricultural imports. This makes sure that the domestic European producer will never be undersold by anyone outside E.E.C.

Was this the result of the Kennedy round negotiations? Was this the kind of access we gained in the western European market? Was there a gain for the farmers of Canada as a result of these negotiations? If there was, somebody should tell this house so. The article goes on to say:

> Under the new international grains agreement, negotiated as part of the Kennedy round package and due to come into force July 1, the quality of wheat handled in the current French sale would have a minimum delivered price of around U.S. $1.60 per bu. The 42c. difference between $1.18 and $1.60 would be enough to keep large numbers of producers in the grain markets.

So we made the deal. Similar or even more severe protection exists in the United States. Then last night the Minister of Agriculture decided to tell the farmers the facts of life. While speaking to a group of agronomists, some of them, I suppose, employed by government and some by private industry, the minister, according to the *Globe and Mail* report, accused the farmers of basing their case on half learned lessons in economics, of ignoring social and economic realities and of trying to stand in the way of change. Today I asked the Prime Minister if this was the opinion of his government. I did not receive an answer. Does the government really believe this is the type of farmer we have in Canada?

The article continues:

For instance, what could or should a government do for a farmer who finds himself in financial straits because he paid more for a farm than it was worth, or bought more machinery than he could afford?

The minister charged that farmers who protested to Ottawa that they were losing money on corn production did only half the calculation. Is it the role of the Minister of Agriculture to describe the farmers of Canada in this fashion? The *Globe and Mail* is read very widely in eastern Canada. I think it is a very excellent newspaper. It is read by a great number of city people. Does the Minister of Agriculture wish to leave the impression with the city people that this is the kind of farmer we have operating our farms? If this were true it would be bad enough. Since it is not true it is worse. I do not intend to put everything in this article on the record. However, it says that the farmers have overfinanced themselves and have painted themselves back into a corner.

I would like to quote from the following report which appeared in the *Globe and Mail* of Thursday June 13, 1968, concerning a farmer who farms on the Regina plains. He is farming an economic unit in that area. He owes nothing on his land. His land is debt free. He has not gone out and bought a lot of high priced land for which he could not pay. His machinery investment is moderate. His repair bills are heavy. In 1960 he spent $1,139 on repairs and overhauls. We know that the farmer who does not go out and buy new machinery pays the money out in repairs. Any farmer knows this. He knows there are two ways to do it. This farmer had $8,300 in cash receipts on the delivery of 6,800 bushels at his country elevator. He had $3,700 as the final payment received in the income tax calendar year of 1967 on deliveries in the 1965-66 crop year and he had $515 in patronage dividends. Although he produced 9,200 bushels of wheat in 1967 he was able to convert only 6,800 bushels into cash because of tight delivery quotas. His problem was not high-priced land or high-priced machinery; it was low delivery quotas. He could not move his product.

I suggest that this man is probably typical of many farmers who are farming in western Canada and also in Ontario. Let us face the facts. If we have some hundreds of thousands of farmers, and we have, they will not all be experts. Does anyone insist that the total labour force in an industry such as Imperial Oil should all be experts? Does anyone insist on an assurance that all the people in business are top businessmen? After all, we are human beings. Some of us are short, some of us are tall and some of us are better equipped than others. Not only business management on the part of the farmer is a factor in this situation but also the circumstances which affect him not only in Canada but in world trade, including the health of world trade. Also involved is the cost of money which, incidentally, went up to 7¾ per cent and 7½ per cent the day before yesterday so far as farmers borrowing from the government are concerned. These things all have an effect. The cost of the things the farmer must buy on the industrial front is also a factor, and these costs are affected by our trade patterns and by the powerful industrial combines which exist in this country.

• (5:40 p.m.)

Do we have free trade in the petroleum industry, particularly in relation to the products the farmer uses? We have an oil policy in Canada which operates so that certain Canadian oil-producing areas will serve certain parts of Canada and other areas will serve other parts of Canada. If you purchase petroleum products for use on the farm in western Canada you pay a uniform price. I suspect this is the same in the east; the prices will be uniform there also. In other words, to use an economic term, the price is an administered one. These are the situations with which farmers must live.

A recent bulletin issued by the Saskatchewan Wheat Pool states that a sufficient number of cattle are now being sold by farmers directly to packing plants to support the forecast that in the immediate future we will reach a point where there will be no longer a sufficient number going to the public yards to establish prices. Will we then have a free market, competition or free trade? I hope these things will be of concern to the Minister of Agriculture.

During the election we heard a lot of talk about national marketing boards, but I have not heard much about them since I arrived here. Let me suggest to the government that it had better be concerned about the situation facing the agricultural industry in western and eastern Canada. I assume an unhappy situation exists in eastern Canada if the delegation of farmers who took the trouble to drive two or three hundred miles on tractors to parliament hill is any indication. I have spent most of my life on a tractor and the last thing I would do would be to drive one 200

miles on a highway. They are not built to travel on highways.

We must recognize this situation in developing our trade and financial policies. We have been very fortunate in Canada in that we have had lots of cheap land and a highly skilled labour force in the agricultural field. We have also had self-employed farmers who have used the technology available to them to the point that they are now actually beginning to get into trouble because of overproduction. Let me say again that we must adopt trade and financial policies which will allow these farmers to stay in business in order to continue to provide Canadians with cheap food, and they have been getting cheap food. Several weeks ago in a debate in this chamber I said that Canadians have been getting cheap food and are well fed, and I cited statistics in support of my statement. Let us direct our policies so that this situation continues.

Mr. Gray: Mr. Chairman, I should like to thank the hon. members who have spoken during this debate for their contributions. I can assure them that their very interesting comments have been carefully noted.

Let me remind the committee of what the government put forward as its aims when entering the Kennedy round of tariff negotiations. I shall paraphrase the remarks of a previous minister of trade and commerce who was the minister of finance at the time he made a statement to the finance committee of the house when it was studying these resolutions in the spring of the year. There were certain broad considerations which were followed in formulating the tariff offers the government made in the Kennedy round. First of all, the government wanted to make certain that there was a reasonable over-all balance, in practical trading terms, between the tariff concessions we got and those we granted. Therefore every effort was made to obtain every worth-while tariff reduction offered by other countries but, of course, we gave no more than we got.

Second, we took account of how our tariff concessions and the export benefits we obtained could contribute to the balanced growth of the Canadian economy. We wanted particularly to help our secondary industries to break out of the confines of our small national market. This we could do by getting reductions in other countries' tariffs and by cutting the costs of producing in Canada for those new and expanding markets. That is why our tariff cuts on raw materials, semi-finished goods and on production machinery are an important part of the Kennedy round settlement for Canada.

[Mr. Gleave.]

Third, we sought and obtained a more reasonable degree of balance and reciprocity for each major sector of our economy and for each region.

Fourth, we wanted to ensure that through the Kennedy round Canadian consumers would benefit from greater international competition.

The tariff reductions consented to by Canada covered about $2.5 billion in imports, of which about $2 billion came from the United States. At the time the then minister of finance spoke, on the other hand, the export benefits obtained by Canada from its agreements with major trading partners covered, including wheat, over $3 billion of export trade. That was the current situation at the time the then minister of finance reported to the committee.

I should like to point out to the committee of ways and means that it is significant that in such markets as the United States and the European common market the average level of tariffs on manufactured goods will be below 10 per cent when the results of the Kennedy round are implemented. Because of the across the board tariff cuts made by our major trading partners, export opportunities will open up for the first time for a very wide range of Canadian manufactured goods. Let me suggest, however, that it is not only our manufacturing industry that will be in a position to gain. The scope of the negotiations was such that nearly all commodities, including the products of fisheries, agriculture, mining and the extractive industries, will be in a position to benefit from the lower tariff barriers facing our goods in the export markets.

An hon. Member: Would you permit a question?

Mr. Gray: Perhaps I could accept questions after I have completed my remarks.

The first round of cuts under the tariff changes has been in effect on a provisional basis since January 1, 1968. This has provided almost a year of experience and observation with respect to the operations of our economy and, more particularly, of Canada's international trade in conjunction with the tariff changes in question. I think we have had a chance to see what has actually been happening to our country's trade since these tariff changes came into effect on a provisional

basis on January 1 of this year. It is not just a matter of forecast or estimate; we have some definite results to look at.

• (5:50 p.m.)

I think it can be said that the results are certainly very encouraging. Last year the government set a 1968 export sales target of $12.3 billion. In a speech given by the Minister of Industry, Trade and Commerce to the Canadian Export Association on October 21, he pointed out that the Canadian export performance to date has been more than consistent with this goal. In the first nine months of 1968 our merchandise exports reached $9.9 billion, up $1.6 billion or 18.4 per cent from the same period last year. Meanwhile our imports have risen at a slower rate, by $811 million or about 10 per cent. In consequence I think we should be pleased to note that Canada is well on its way to achieving a $1 billion merchandise trade surplus this year. The Minister of Industry, Trade and Commerce pointed out that this will be the largest favourable trade balance recorded in the post-war period. Therefore our over-all balance on current transactions, though still in a deficit position, will be much improved.

From a commodity standpoint, we can note that about two-fifths of this year's export gain consists of automative products. However, the gain is not limited, obviously, to increases in exports of automotive products. In fact, other products have also contributed importantly. These export products include copper, iron and steel, lumber and woodpulp, nickel and aluminium, petroleum and natural gas, and aircraft. I think these figures I have put on the record confirm my earlier remark that the results so far for Canada's trade since the Kennedy round changes were given effect to on a provisional basis have been most encouraging.

When the hon. member for Perth spoke on behalf of the official opposition he raised some question about the impact of these tariff changes on our trade with the United States. I think it is important to observe that on the basis of the most recent trade statistics released by the Dominion Bureau of Statistics, the initial trends following the introduction of the first tariff reductions last January for Canada and the United States can be considered to be quite favourable from a Canadian point of view.

Although both our exports and imports are increasing, the increase in exports is much greater than the increase in imports. Indeed, in the first nine months of 1968 our exports to the United States were actually greater than our imports from that country. The hon. member for Perth commented on what he considered was the need for greater progress in dealing with non-tariff barriers. It would seem to me that certainly there was some progress in this very important area affecting international trade. One achievement was the negotiation of the agreement setting up an international anti-dumping code. As this committee of ways and means knows, the draft bill in the form of a white paper to implement Canada's commitment under this code in a legislative way is currently under detailed study in the finance committee of this house. I suggest that members of the house might want to reserve their more detailed comments on the proposed legislation until the committee hearings have been completed and it has been returned to the house by the finance committee.

I would also like to point out that a special committee of the GATT is working on a program of study of the remaining non-tariff barriers to determine their exact extent and nature. I believe its intention is to formulate a program for working toward their elimination. The Minister of Finance yesterday in a speech in New York pointed out that further progress in the elimination of non-tariff barriers is one of the major tasks before the trading nations of the world, a task that still has to be accomplished in large degree although, as I have said, with the agreement setting up an international anti-dumping code and the program of work of the GATT committee, I think some progress in this area has in fact come out of the negotiations for the Kennedy round.

If I may, Mr. Chairman, I should like to comment briefly on some of the points raised by hon. members who participated in this debate. The hon. member for Waterloo noted what he considered to be potential dangers in the general freeing of trade and cited as an example what he said was happening in the farm machinery industry. Yet if I understood correctly what the hon. member for Broadview was saying, he felt we were acting too cautiously and perhaps had not gone far enough in cutting tariffs. This might help to prove that the government in its negotiations has in fact achieved a proper balance in the interests of Canadian industry and workers.

The hon. member for Waterloo suggested, if I understood him correctly, that Canada will not automatically benefit through freeing of trade. I point out to the committee that the

government has in fact put into effect measures to help Canadian industry and workers to take advantage of opportunities created by the Kennedy round tariff negotiations. It has set up the new, special adjustment assistance program as well as the machinery program which will be formally implemented by the passage of the legislation before us. In addition, the increased efforts of the trade and commerce department are all aimed at ensuring maximum benefits for Canadian industry and workers from the opportunities provided by the Kennedy round.

As I have already pointed out to the committee, the average level of tariffs of our trading partners when the Kennedy round changes are implemented will be below 10 per cent on manufactured goods. Therefore the degree of concern expressed by the hon. member for Waterloo about the lack of opportunities for our manufactured goods in foreign markets should be lessened by the opportunities created by this general lowering of tariffs which previously stood in the way of our manufactured goods.

Mr. Chairman, may I call it six o'clock?

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Béchard): It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: the hon. member for Broadview (Mr. Gilbert)—Administration of Justice—compensation for innocent victims of criminal acts; the hon. member for Halifax-East Hants (Mr. McCleave)—Canadian Broadcasting Corporation—union dispute respecting reporting of Ottawa conference.

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

• (6:00 p.m.)

PRIVATE BILLS

ATLANTIC PEAT MOSS CO. LTD.

The house in committee on Bill No. C-103, respecting Atlantic Peat Moss Co. Ltd.—Mr. Breau—Mr. Béchard in the chair.

[Mr. Gray.]

On clause 1—

Mr. Peters: Mr. Chairman, I should like—

[*Translation*]

Mr. Fortin: I rise on a question of privilege, Mr. Chairman. Without prejudicing in any way Bill C-103, I should like to point out that a study of the said bill was made in committee on Tuesday, October 22, 1968 and that only the English version of the committee report was published, so that the French-speaking members can hardly understand what this is all about.

My question of privilege was merely intended to point out this fact.

The Deputy Chairman: The hon. member's remarks have been noted and I am told that the French version will be distributed right now.

[*English*]

Mr. Peters: With regard to the question of privilege, Mr. Chairman, may I say I do not believe the hon. member was referring to the bill but to the report of the meeting of the standing committee which was held on October 22. This report is not available in the French language. It is my understanding that we should not proceed with the bill until the evidence is available.

[*Translation*]

The Deputy Chairman: Order. We regret that we are unable to provide the French version of the proceedings of the committee on Bill No. C-103. We are told it is not available at the present time.

Under such circumstances, progress must be reported and we will have to deal with another private bill. It is nevertheless understood that this bill will not lose its place on the order paper.

[*English*]

Is it agreed that the committee rise and report progress and that this bill will not lose its place on the order paper?

Some hon. Members: Agreed.

[*Translation*]

Mr. Gray: Mr. Chairman, I think that the hon. member for Gloucester (Mr. Breau) wishes to say a few words before you report progress.

[*English*]

The Deputy Chairman: The committee has decided to rise and report progress. However, if it is agreed we will listen to the hon. member for Gloucester.

Some hon. Members: Agreed.

[*Translation*]

Mr. Breau: Mr. Chairman, if it can be of any help to the hon. member, I could sum up the evidence of the company's spokesman. I am sorry that the matter is put off because the evidence is not lengthy. I could sum it up and then answer all the questions of the hon. members because I have here a statement which has been submitted to me by the company. It may be of use.

The Deputy Chairman: Does the committee agree?

Mr. Fortin: Mr. Chairman, I fully understand the meaning of the remarks of the previous speaker with regard to the brief he has received. I make it a matter of principle because I have no intention of promoting dissent or preventing the co-operation of this house. Everyone will agree on that. For the information of all members and so that a serious and thorough study of the matter may be made—I must say that I do not wish to kill this bill but rather to make a positive contribution to it—I think that it would be in order to get the French version of the committee report. It must be emphasized that it is the report of a parliamentary committee.

Moreover, the hon. member refers to a brief which would have been submitted by the corporation. In my opinion, such a move would be extremely welcome by the French-speaking members. In fact, we would like to get the French version of this report. I think that the hon. member who spoke before me will agree that our study thus could only be improved.

[*English*]

The Deputy Chairman: Is it agreed that this bill will retain its place on the order paper and that the committee shall rise, report progress and request leave to sit again at the next sitting?

Some hon. Members: Agreed.

Progress reported.

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): In the circumstances, Mr. Speaker, I wonder whether the house would agree unanimously to revert to the business which which was under consideration at six o'clock, namely, the Customs Tariff resolution?

The Acting Speaker (Mr. Béchard): It is agreed?

Mr. Peters: I suggest, Mr. Speaker, that in view of the trouble we are having it might be advisable to call it seven o'clock. The reason I make the suggestion is that a number of members, even the government representative who is presenting the measure on behalf of the government, are absent.

Mr. Gray: I rise on a point of order, Mr. Speaker. I am in my regular seat. I was in a ministerial seat earlier during the consideration of the resolution but I should like the record to show that I resumed my accustomed place in the house and I am ready to proceed with the bill.

Mr. Peters: I should like the record to show that too. I had expected to see the hon. member in a different seat. However, I am sure that the members of all parties were expecting private members' hour to continue and that they would not be involved. Some members have left the chamber, so I would ask the house leader whether he would consider calling it seven o'clock?

Mr. Bell: I believe the latter part of the hon. member's suggestion, Mr. Speaker, is a good one. Many members have departed from the chamber in the expectation that private members' hour would continue. Even though I do notice some government members ready to proceed, we would prefer that it be called seven o'clock and that there be no prejudice to private members' hour. This should not count as a regular private members' day.

The Acting Speaker (Mr. Béchard): Is it agreed that we will resume in committee and suspend the sitting?

Some hon. Members: Agreed.

WAYS AND MEANS

The house in committee of ways and means, Mr. Béchard in the chair.

CUSTOMS TARIFF

1. That Schedule A to the Customs Tariff be amended by striking out tariff items 20925-1, 21045-1, 22001-1 and the heading thereto, 22002-1 and the heading thereto, 22003-1 and the heading thereto, 26325-1, 40938-1, 42761-1 and the heading thereto, 42762-1 and the heading thereto, 44043-1, 44047-1, 47600-1, 56400-1, and 69315-1 and the enumeration

of goods and the rates of duty set opposite each of those items, and by inserting therein the following items, enumerations of goods and rates of duty:

The Deputy Chairman: It being seven o'clock, the sitting is suspended.

At seven o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Gray: Mr. Chairman, when the house adjourned for the supper hour I was attempting to respond to some of the very interesting comments that hon. members had made during the consideration of this resolution in this committee of ways and means. I believe I was saying that I thought the lowering of the tariffs of our trading partners with respect to manufactured goods would be opening new opportunities for Canada's secondary industry.

The hon. member for Waterloo made some reference to the auto pact, and I believe expressed the view that progress had not been as rapid as should have been the case. I think I should point out that there have been thousands of new jobs, and new and expanded plants created as a result of this pact. The Minister of Industry, Trade and Commerce, when he spoke to the Canadian Exporters Association a few weeks ago, said that notable progress under the automotive products agreement has been realized, but that these gains must be maintained and indeed expanded. He went on to say that two way trade has increased from $760 million in 1964 to $3.3 billion in 1967, and that this figure will be even higher by the end of this year. In the 1968 model year more than a million vehicles were manufactured in Canada, compared with only 700,000 in 1964. Canadian exports of vehicles and parts increased from a value of $123 million to more than $2 billion in the same period. Employment in the automotive industry has reflected its general expansion with the creation of some 17,000 new jobs.

The hon. member for Waterloo questioned whether recent labour contracts had resulted in meaningful wage parity. Certainly the unions representing the workers in the auto industry believe they have met with success in recent negotiations in moving toward wage parity, though it is my understanding that these moves are linked to productivity.

In any event, Mr. Chairman, as I have said, the figures demonstrate the increased employment and new and expanded plants that have

[The Acting Speaker (Mr. Béchard).]

resulted from the automotive pact. Speaking personally, along with this improvement it seems to me that companies in the industry could do somewhat more than they are doing at the present time by way of giving advance notice to workers, and also to government, of technological change, so as to make it easier for workers and government departments that are attempting to assist them to adjust to the impact of that change, and to lay-offs, which in most cases are only temporary while various plant expansions are being carried out.

Perhaps I can discuss this matter at greater length on another occasion, perhaps during the estimates of the Department of Labour or Department of Manpower and Immigration. Still, it does seem to me that the government has in fact created a number of programs to assist not only industries but the workers involved to take advantage of the expanded opportunities presented by the Kennedy round tariff changes.

I have already referred to the adjustment assistance program, Mr. Chairman. We should also note new and expanded programs of the manpower department with respect to retraining and, if necessary, mobility, as well as job placement and counselling.

I believe the hon. member for Broadview spoke about views expressed in the recent Economic Council report in connection with the level of tariff cuts that the Canadian government is proposing to this parliament, to put into effect its commitments under the Kennedy round negotiations. My understanding of what the Economic Council actually said, Mr. Chairman, is that it did not seem to have definitely and firmly recommended that Canadian tariffs be reduced beyond the levels agreed to under the Kennedy round. What the council said in its fifth annual review, as reported at page 197, was that unilateral tariff reductions—and I am now quoting the report—

—perhaps in the form of an accelerated reduction of Canada's Kennedy round tariff reductions, might well be appropriate if the recent high and persistent general price and cost increases were to continue in Canada.

In my opinion, Mr. Chairman, such a statement is not exactly the same as a firm and definite recommendation. The hon. member for Broadview, in commenting on this point, seemed to equate effective protection with the degree to which Canadian producers can keep prices high without foreign competition. In fact, the nominal, as opposed to the effective, rate of duty on an industry's end product

places a ceiling on the price that the industry can charge for the product and I gather, still not charge more than the laid down cost of the imported product. Effective protection merely measures the extent to which the industry can increase its value added per unit of output because of the tariff structure—in other words, the extent to which it can be less efficient in processing than its foreign competitors. I am informed that Canadian levels of effective protection, at least before the Kennedy round, were not too far out of line with those of other countries such as the United States and the United Kingdom.

The hon. member for Broadview also expressed some concern at what has been said in the United States about what might be termed moves toward increased protection. We should note that the Minister of Finance, in his speech in New York yesterday, seemed in effect to caution the United States on the effect that moves toward increased protection in that country, would have on its trading relations with its neighbours and trading partners, including Canada.

The hon. member for York North made some very interesting comments and was able to base them upon his own personal experience as a manufacturer, as someone who was meeting competition in Canada from abroad and also competing with others in countries with which we trade. Certainly it is very good to hear from him as someone in the machinery industry, and to learn that he agrees that the machinery program has been working relatively smoothly.

• (8:10 p.m.)

[*Translation*]

Mr. Chairman, the hon. members for Saint-Hyacinthe, for Beauce and for Témiscamingue (Messrs. Ricard, Rodrigue, and Caouette) have dealt with the problems of the textile and shoe industries. I can assure them that the government is well aware of the problems and difficulties of those industries.

I also wish to assure them that the tariff reductions applicable to those industries are very low. For instance, for the textile industry, in general the Canadian tariff has been reduced by only 2.5 per cent and, in several cases by only .5 per cent. I must add that tariff reductions, for the shoe industry, are also very moderate. In addition, those reductions have been extended, in most cases, for a maximum period.

I believe those members also spoke of another matter, dumping, and as I have said, the bill that is based on the international anti-dumping agreement has been referred to the committee on finance, trade and economic affairs which is in the process of studying all the evidence of the industries affected by this bill.

We will have the opportunity of continuing our discussion on this bill when it is sent back to the house by the committee on finance, trade and economic affairs.

[*English*]

Now, Mr. Chairman, a number of hon. members also made comments with respect to the agricultural sector. I am informed that the agricultural package, while it can be described as being of somewhat modest size, is actually reasonably balanced between the United States and Canada. I understand that in terms of our trade with the United States we gave and received concessions on agricultural products to a trade value of about $95 million per annum each way.

With respect to the question of our sales of wheat, the minister of Industry, Trade and Commerce discussed this question in some detail when he spoke to the meeting of the Saskatchewan Wheat Pool just a few days ago on November 4. I think it useful to recall that at that time he said that the government is well aware of the long, hard struggle that went into developing a system of orderly marketing under the wheat board for western Canada. This concept of orderly marketing is still valid and will continue to serve as a base for our wheat marketing policies. The principle was carried into the international sphere where it served as a basis for the international wheat agreements and now for the international grains arrangement. The other major exporters have all expressed their determination to observe the terms of the arrangement with respect to minimum prices and to achieve the objectives of the arrangement.

Finally, on this point I can say that on October 10, 1968 the International Wheat Council issued a press release in which it stated that the members of the prices review committee of the International Wheat Council representing the major exporting and importing interests declared their satisfaction with the way in which the convention had worked during this period and with the fact that the international grains agreement is an effective force in the international trade of wheat.

In conclusion, Mr. Chairman, let me say that the Canadian government favoured the

holding of the Kennedy round tariff negotiations and participated actively in it. It worked to get the best possible results for Canada, and the government is now recommending to parliament that legislation be passed to implement these results. The original Kennedy round agreement called for legislative implementation by July 1, 1968 by the countries signing it. As we know, the government negotiated an extension to January 1, 1969, a date which is not too far away. I would therefore commend to this committee of ways and means the passage of this resolution. I believe it would certainly help to show that Canada's attitude, along the lines of what the Minister of Finance said in New York yesterday, is not favourable to what seems to be a greater interest in protectionism on the part of some of our trading partners, and it will confirm Canada's intention to compete vigorously in international markets in a way that would help the expansion of Canada's industries. On balance, therefore, I suggest to this committee that this legislation is and will be beneficial for Canada, and I invite the house to support the passage of the resolution.

Mr. Gleave: Mr. Chairman, I wished to ask the parliamentary secretary a question earlier on but he preferred to leave it to the end. I do not know if I understood his meaning correctly. As I understand him, there would be a general reduction of tariffs on Canadian commodities going into the European common market over the period of time as a result of the Kennedy round. Might I ask him what the schedule will be for the reduction of tariffs on wheat and feed grains going into the common market? In other words, what access do we have to this market in western Europe?

Mr. Gray: I would be very happy to attempt to give the hon. member a detailed answer to his question. However I suggest that since, at a later stage in this debate, we will hopefully be in committee of the whole house we can again have an informal discussion on these matters. I hope therefore that the hon. member will permit me to reserve the answer to his question until that time, when we will be able to go into it in the detail he wants.

Mr. Gleave: May I ask a supplementary question, Mr. Chairman, with regard to the Japanese market. My understanding is that as a result of the Kennedy round the United States was conceded a reduction in the tariff on soybeans going into the Japanese market, and the tariff on Canadian rapeseed going into the Japanese market remained as it was. Can the minister tell me if this was so, and what was the concession made to the United States on soybeans?

Mr. Gray: Mr. Chairman, I do not have available before me information about concessions won by our trading partners, but I can certainly get that information. I cannot comment directly with respect to the duty on rapeseed moving into Japan. If my recollection serves me correctly, we did win certain expanded export opportunities with respect to rapeseed. Again I would ask the hon. member's indulgence to permit me to give him a more detailed answer not only with respect to the Canadian commodity in question but with respect to the concessions won by the United States in which he is interested, and allow me to present this answer in a more detailed fashion when we are in committee of the whole house on the bill itself.

Mr. Stanfield: Mr. Chairman, I should like to ask the parliamentary secretary a question. He gave some figures showing the growth in exports for the first nine months of the year. I wonder if he can give us any figures on the growth in exports to countries other than the United States.

• (8:20 p.m.)

Mr. Gray: I must apologize to the Leader of the Opposition. I have the total figures but I am not sure whether I have figures for all our major trading partners here. If the hon. gentleman would allow me a minute, perhaps I could get them.

Mr. Stanfield: I do not want to take up the time of the committee. The parliamentary secretary can give us this information at some other time.

Paragraph agreed to.

Paragraphs 2 to 20 inclusive agreed to.

[*Editor's Note: For Customs Tariff items agreed to in Committee of ways and means, see Votes and Proceedings of October 22, 1968.*]

Resolution reported and concurred in.

Mr. Macdonald (Rosedale) thereupon moved for leave to introduce Bill No. C-131, to amend the Customs Tariff.

Motion agreed to and bill read the first time.

SUPPLY

The house in Committee of Supply, Mr. Richard in the chair.

DEPARTMENT OF PUBLIC WORKS

1. General administration, including grants as detailed in the estimates, $31,015,000.

The Acting Chairman (Mr. Richard): The revised estimates of the Department of Public Works for the fiscal year ending March 31, 1969, will be found at page 392 and the following page of the blue book, with details beginning at page 394.

Mr. MacLean: I propose at this time to take up only a few minutes of the time of the committee on the first item because I can speak later on this subject as it is covered by item 40. However, I feel I am perfectly in order in referring to it now.

Some time ago the government of Prince Edward Island formed a delegation to come to Ottawa to speak to the federal cabinet and particularly to the Prime Minister to impress on the government the need for the construction of a permanent link between Prince Edward Island and the mainland. I believe the delegation demonstrated conclusively that in the long run the building of a permanent link would be in the national interest and the most economic course to follow, bearing in mind the projected cost over the years ahead of maintaining the present service. Just as important, perhaps, they impressed on the federal government the need for making a decision at the earliest feasible date. It is of course understandable that the government of Prince Edward Island will be placed at a disadvantage in its planning for the future if it does not know what decision the federal government will reach with regard to this proposed transportation link.

This is a subject which is of tremendous importance to the inhabitants of Prince Edward Island. People in other parts of Canada may not fully appreciate how vital it is; in some areas it may be considered that the estimated expenditure is extremely high in relation to the population concerned, and so on. I should like to point out that this is a project which would be of benefit not only to Prince Edward Islanders, although it would be of great economic value to that province, but to all Canadians who travel to Prince Edward Island, especially during the tourist season. As a matter of fact the great congestion which occurs during the summer months is occasioned chiefly by visitors from other parts who wish to make this trip.

I suggested that the estimated cost might seem extremely high in relation to the population concerned. However, we should bear in mind that the cost of government generally is high. The federal government is now spending yearly about half as much as this causeway will cost for this number of people in every part of Canada, so what Prince Edward Island is asking is that over a period of years the federal government designate for the building of a causeway about twice the annual expenditure that it expends on this number of people in all parts of Canada.

Ever since confederation, transportation has been a subject of such importance that islanders generally consider this project to be a matter of top priority as far as federal expenditure is concerned. This view is not limited to those who live on the island. Perhaps I might read into the record a telegram which was recently sent to the government by the Maritimes Transportation Commission. It is dated November 7, 1968, and reads as follows:

> Maritimes Transportation Commission directors meeting in Moncton yesterday expressed concern over possible indefinite postponement of or outright cancellation of the construction of a permanent link between Prince Edward Island and New Brunswick. This commission reiterates its position that permanent link is imperative to reduce costs of transport and to overcome increasing delays hindering the movement of products and people between the island province and the mainland. Over its more than forty year history this commission has been constantly aware of difficulties of traversing the Northumberland strait—difficulties which have frustrated and, without a permanent link, will continue to frustrate the economic development of the province. Even with increased ferry service in recent years and with planned improvements at terminals which this commission welcomes, no solution short of a permanent link will solve the delays and costs incurred by tourists, businessmen and trade and commerce travelling to and from Prince Edward Island. The Maritimes Transportation Commission endorses the principles of the brief presented by the government of Prince Edward Island to you and your colleagues recently relative to the construction of a permanent link and we urge your government to take immediate and effective action to bring about within a reasonably prompt period the completion of the Northumberland crossing project in which 12 million dollars have already been invested.
>
> J. M. Crosby, Chairman,
> Maritimes Transportation Commission

I think most Prince Edward Islanders agree completely with the sentiments expressed in this telegram.

• (8:30 p.m.)

In passing I want to say that the fine new ferry which has been provided, the *John*

Hamilton Gray, is welcomed and appreciated by Prince Edward Islanders. I know it is not the direct responsibility of the minister, but no doubt the Department of Public Works is involved in some way. Prince Edward Islanders would not want to appear to be ungrateful for what is being done, but they feel that continued expenditure along this line will not solve the problem in the long run, and they are most concerned that the government will make an early and favourable decision in this matter.

I do not want to press the minister for a reply at the present time. If he tells the committee that he is not in a position to make a definitive answer at this time, that will be understood, but I do say we have already passed the time when the Prime Minister expressed the hope that a statement would be made in the matter, finalizing the position of the federal government. We hope and urge that such a decision will be arrived at within a short period of time. All Prince Edward Islanders, I think all people from the Atlantic provinces, and I would hope many, many people from the rest of Canada will look forward to a favourable decision by the government on this very important project.

Mr. Macquarrie: Mr. Chairman, with brevity, but with the utmost sincerity, I would like to support the arguments which have been marshalled by my colleague, the hon. member for Malpeque. If I do not speak at length, it is not that I am not deeply concerned about this project. Indeed, it is because I have been so deeply concerned, like my colleague, that I have been discussing it for a good many years in this parliament and elsewhere.

I, too, am hopeful that the minister, who is I believe a minister who has some understanding of national problems, will see the compelling urgency of this project being put forward.

We all know that in our part of Canada the economic situation vis-à-vis the rest of Canada is not very hopeful, and the only way to make it more hopeful is of course to make a rational assault upon those things which put us at an economic disadvantage. As all the experts and certainly all the public men for many years have realized, one of the great disadvantages which our part of Canada has undergone and borne, as this country was created in its peculiar nature, is the problem of transportation; and the four provinces, the maritime provinces, are the ones which have the greatest and most acute economic pains from their transportation difficulties.

[Mr. MacLean.]

We have watched and studied with a good deal of concern statistics, studies from the Economic Council of Canada and the Dominion Bureau of Statistics about the widening prosperity gap. It is terribly important that our produce, our fine agricultural produce, and our excellent products of the sea should get to their markets as quickly as possible. It is extremely important that our most expandable and expansive industry, namely tourism, be furthered in every possible way. There are now about a million people coming to Prince Edward Island every year. It is a direct loss of revenue when any people find that delays in the ferry transportation cause them to turn away to some other province, very nice but not quite so nice, like New Brunswick or Nova Scotia.

I think, apart from all the arguments which have been marshalled before this government, and by our premier—and I support everything he and his cabinet said—as my colleague suggested, and indeed underscored, it is sound economy to build this permanent link and build it as quickly as possible. I know of no bridge, highway or turnpike which has upon it a reasonable toll, in an area where there is much traffic, that is not self-amortizing, usually in a time shorter than those who created the structure predicted.

The cost of maintaining the ferries is increasing. It is escalating year after year. The more traffic and people, the greater is the total cost and the greater the per unit cost. Therefore the soundest economic solution, a permanent crossing, is what is needed at the present time. I agree with my colleague when he says we are delighted with the new boat, but we do note it has been announced that two of the existing ferries will be withdrawn from service. So we get one and we lose two.

We can project that there will be a heavy increase in traffic, so I would say to the minister that this is not only something that Prince Edward Island wants—of course it does,—but it would be one forward step which to a degree would cope with the economic disparity which our part of Canada suffers. We know, Mr. Chairman, that no country can be truly prosperous if any region thereof is lagging behind the national average in those economic facts of life which make for the good society and for the just society, so with all the urgency I could command I recommend to the minister a quick move on this measure.

It is not for me tonight to talk about recriminations or refer to promises that were given and have not been fulfilled. We are not interested in making political capital. We are not interested in castigating people who made promises. We are interested in helping our region, and this is the responsibility of the federal government, and only the federal government, in the field of interprovincial transportation and communications. I would appeal to the minister to use his great power of persuasion to see that the government moves quickly in a project which he can, I am sure if he sees it inaugurated, look back upon with great pride as being one of the contributors to the economic well being of a great and important part of our country.

[*Translation*]

Mr. Laprise: Mr. Chairman, I would like tonight at the beginning of my remarks on the estimates of the Department of Public Works to say a few things of local interest. I do not intend to deal at length with provincial or national matters; I would like instead to keep to local works, which is a matter of interest to most hon. members, I think.

The only way for the citizens of the riding of Abitibi that I represent to have access to the sea is through James Bay in the north. I would like to point out to the minister that an access road from La Sarre to Rupert House, near James Bay, is now under construction. We hope that road will soon be open to traffic and that the Department of Public Works and the Department of Indian Affairs and Northern Development will cooperate with us to build the harbour facilities needed in that region.

This evening, I would like to restrict myself to the best organized part, I would say, of the riding, and remind the Minister of Public Works (Mr. Laing) that in some parishes works have already been carried out as, for example, the construction of launching ramps for pleasure boats; I wish particularly to draw his attention on the way some of these works have been carried out. Up to now, the purpose was to make some facilities available to tourists, and promote trade and certain industries. Unfortunately, I noticed myself—and others noticed it also—that these works were not carried out satisfactorily, so that after hardly a few months, the facilities are breaking up because engineers did not take into consideration the nature of the soil where wharfs and launching ramps were to be built.

I would like particularly to draw to the attention of the minister the wharf which was built just 2 years ago on lake Turgeon; that wharf is almost useless because the road leading to it is in such poor condition. It would have been easy enough to build a breakwater to prevent the water from damaging the road to the ramp.

I think that the minister should ask his officials to visit the area, especially lake Turgeon, the wharf on lake Macamic, the wharf used by the people of La Sarre on the river of the same name and several other places. I feel that the minister should ask the inspectors of his department to examine the works to ensure that they are repaired and maintained in good order so that they may be used by the people.

• (8:40 p.m.)

I should like also to call the attention of the minister to another point which concerns my riding more directly, that is the little town of Duparquet. I should like to ask the minister officially—I know that he has received requests to that effect from the Fish and Game Association of Duparquet—to order the dredging of rivers flowing from Duparquet lake, and the installation of buoys on this lake so as to avoid the rather frequent accidents which occur there. I know that, in 1950, such buoys were installed, but it seems to me that since then, this service to the people was not maintained.

Many tourists, in ever increasing numbers, spend the summer season in that area to go fishing or, in the fall, to go hunting. Many tourists even come from the United States to spend a part of the summer in the area, in order to enjoy the beauties of nature. Therefore, the Department of Public Works should carry out certain improvements in order to facilitate access to the natural beauties to be found there.

Moreover, the minister is perhaps aware that the Quebec government passed very recently a resolution approving an expenditure of about $20 million for the development of the whole north-western part of the province of Quebec, which is to include a tourist centre in the Duparquet area.

I think the Minister of Public Works should co-operate with the Quebec government in the developments which it is ready to undertake, in order to turn this area, which is no longer a mining area, into a tourist

centre. The town of Duparquet was once a mining town, as we know, but the underground resources were exhausted and it has practically become a ghost town. A small population has remained thanks to the tourist trade attracted by the beautiful lake and the lovely surrounding countryside.

Mr. Chairman, that is all I will say tonight, hoping that the minister will be able to ask and convince the Treasury Board to give him the funds required for the development he wants to undertake in that area.

I have here a letter I have just received, telling me that a launching ramp will be built at Lake Hébécourt, if it is financially possible.

I hope that the President of the Treasury Board (Mr. Drury) will be able to give the Minister of Transport the funds required for the development of that region of the province of Quebec.

As I said at the beginning, we have no access either to the sea or to the great St. Lawrence river and we don't have great harbours or the great facilities of those other regions. However, our area abounds in beautiful lakes and great tourist attractions. All that is needed is to develop and improve them.

Therefore, I hope that the minister will make a study of the whole region, in order to bring about all the necessary improvements.

[*English*]

Mr. Winch: Mr. Chairman, I should like to say that over the years I have had many interesting conversations with the one who has the honour at the present time of holding the post of Minister of Public Works. From those conversations over the years I rather gained the impression that the minister prides himself on being one who looks ahead and believes in planning. If my analysis of the minister is correct, that is, that he believes in looking ahead and planning, then I wonder whether he would take this house into his confidence and give us an exposition and explanation of how he is looking ahead, and the type of planning he has in mind as Minister of Public Works. I think this would be most interesting because if the planning is well conceived this will be something new for a Liberal minister of public works.

Because there has been a lack of looking ahead and a lack of planning in the past, the people of Canada have been greatly inconvenienced and millions of dollars of the taxpayers' money have been poured down the drain because of inefficiency. It would not be fair if we were to ask the minister to give us his views on looking ahead and planning, and just leave it at that as a generality. He should be a little more specific. I am sure he can anticipate that I intend to ask him about his thinking and planning as Minister of Public Works in British Columbia, and in particular in the area of the lower mainland and the city of Vancouver which he and I have the honour to represent.

A few short years ago the thinking was that we must have a new airport terminal in Vancouver. There certainly was a need. Now we have it. But there was no thinking and planning concerning how one would get there or get out. There is just one two-lane low level bridge. Now, when the airport is open and the problem of transportation is before us, there is talk of another low level bridge so that people will be able to get to Lulu island, and then in about three years from now the completion of a main bridge.

• (8:50 p.m.)

We should like to know what stage planning and designing has reached in respect of this main bridge, and when it is hoped the department will be able to call for tenders, begin construction and complete the project. We should also like to know what the situation is at this time in respect of this low level bridge which is supposed to parallel the existing one. The minister knows there is an imperative need to speed up this project because that confounded bridge we have has the habit of refusing to close, once it is opened up. It provides access to Lulu island, and it is a lulu of a bridge. Only two nights ago it was opened up again and now it won't close. One should realize that there are over 5,000 employees at the airport on Sea island, and there are thousands of passengers leaving and departing. These people do not want to stay on Sea island, they want to get to Lulu island, Vancouver and elsewhere. What is the planning and thinking now to speed up this immediate project?

It is our understanding that the previous government agreed to build a new First Narrows bridge. This certainly is a necessary project, which we understand is to cost over $100 million. We should like to know what the planning is and what agreement the government has with the city of Vancouver and the province of British Columbia as to

the financing and planning of this project. This is a major project which will affect the entire lower mainland, particularly the north and south shores of Burrard inlet. We must know what the situation is in order to make plans for freeways, throughways, the changing of streets, approaches and expropriations. Let us know what the present position is in respect of designing and planning. Surely some indication can be given to the city of Vancouver as to when this is to be constructed, whether it will be a bridge, a tunnel or a combination of the two. The city should also have an indication of where the project is to be built. This is the sort of thing that should be planned. We are interested to know what the government has in mind and what the minister has planned.

We should also like to know what the minister's plans are respecting the promise of the previous minister of $200 million to $300 million expenditure, in co-operation with private enterprise, to extend the waterfront from the end of Granville street east. This has been talked about for many years, and it has been our hope that this was not only in the planning stage but that construction would commence immediately. We should like to know at least what is being done in designing, and when this project is to be commenced. The previous minister of public works indicated that it was his hope the first phase of the bridge would be started in 1971, the second phase in 1973 and the third in 1975. We should like to hear something about this. If the department is going to begin the first phase in 1971, which is not too long away, let us know now what the plans are.

It is my understanding that in order to carry out this project the old federal building, among others, will have to be torn down. If this is true we should like to know why thousands of dollars have been included in the estimates to cover alterations and improvements to this old federal building. This is what has been taking place for a long time. On other occasions before a decision had been made as to which department was to occupy this building, electricians have moved in, put in new outlets and made various other changes. The department has eventually moved in, has decided the changes were not what they wanted, and within a week or two the changes have been torn out. I am not kidding; within one week these changes have been torn out. This sort of thing takes place all the time.

A few weeks ago during the budget debate I heard that the minister was going to visit the building in Hull occupied by the Queen's Printer, of which his department occupies a floor and half. The department immediately put painters to work at nights and on Saturdays for a week or two. Do you know what happened? I hope the minister does not have to pay for this. He did not go over at all, but sent his deputy. The deputy I had timed, and he was there exactly 17 minutes. About two or three weeks work at nights and on Saturdays was done to paint this area, in anticipation of the minister's visit. Surely that is not planning or looking ahead, but rather a waste of the taxpayers' money, or a misuse of money which could be used to greater advantage.

We should like the minister to tell us about future plans not only in respect of buildings, bridges, roads and tunnels but also as to harbour development. I am not referring to the Roberts Bank project. The hon. member for Vancouver-Kingsway spoke about that matter when these estimates were before us a few days ago. I know she would not want me to speak on this occasion and delay the committee because she is very anxious to receive answers to the questions she put to the minister at that time.

At this time I should like to ask about planning of the inner harbour at Vancouver, from the Lion's Gate bridge down to the city of Port Moody. This is part and parcel of the harbour, and there is a vast area of potential development there. I realize the minister might say the harbour development does not come under his jurisdiction, but under the jurisdiction of the Department of Transport. I realize that, but I also know—

Mr. Mongrain: Would the hon. member allow a question?

Mr. Winch: Perhaps I may be allowed to complete my remarks in this regard. Then the hon. member can ask as many questions as he likes.

I know that the harbour commission comes under the jurisdiction of the Department of Transport, but as a member for an area of Vancouver, who has been in the house for some considerable time, I also know that the harbour commission can do the planning, but when it comes to the actual work, such as dredging, it is up to the Department of Public Works to undertake that work. That department must decide how much it requires to assist in harbour development in Vancouver.

Just before this session commenced I had the opportunity of spending a considerable

amount of time with the chairman of the harbour commission in Vancouver. I should like to thank him for his explanation as to what was going on, and for the information he supplied. It is my understanding that the harbour commission has completed certain plans in harbour development down as far as Port Moody. This commission is aware of the absolute maximum amount of dredging that can be done, and is aware of the tonnage of the largest ship that could possibly make use of the harbour, in view of the clearance under the Lion's Gate bridge. They know exactly the width of the harbour from the Lion's Gate bridge to Port Moody. The commission knows exactly what can be done and how it should be done. It is also aware of what the owners of private piers, wharves and facilities are prepared to do, if larger ships can make use of the harbour. The commission knows how much these people are prepared to spend on this project. We know that there would be tremendous savings, and that this project should be developed now. It is not such a stupendous project, but it would be of great benefit to the people, and would assist in the efficiency of this inner harbour.

• (9:00 p.m.)

This matter was referred by the harbour commissioners of Vancouver to the Department of Public Works who do the dredging and provide in the estimates for this work, as hon. members will see if they look at the estimates. It is my understanding that the department is not going to do the dredging as one job, but is planning and thinking—or it was a few months ago—of doing it in three different stages. The first stage is to lower the harbour bed five feet in some areas, at a future time to take it down another seven feet, and the third stage is to take it down to what is the ultimate in the dredging of the inner harbour. To my mind this is just plain nonsense. It is not looking ahead; it is not planning; it is not efficiency; it is not the best use of public funds.

I know there is not a confounded cent in this year's estimates for the dredging of the inner harbour, but if my information is correct in about February of next year there will be in the estimates the sum of $1.5 million for this dredging, and this will be for doing one-third of the job. How can the government expect the private owners of the facility to be able to do their planning and long range thinking in this respect? One has to do long range planning and thinking when dealing with world shipping, because contracts are set for long periods of time. These people cannot do their thinking, planning or provide for the allocation of money with which to carry out additional dredging because of what I think is a blindness on the part of the Department of Public Works.

I have been trying to give the committee a few of the features of Vancouver with regard to which looking ahead and planning is necessary. I am certain that what I have had to say about Vancouver and the lower mainland of British Columbia applies to almost every constituency of Canada in which there is a need for looking ahead and planning. Therefore, while I hope I may receive a specific answer with regard to the specific planning which interests me as a representative from British Columbia, I also hope we will receive an explanation from the minister of the over-all planning visualized by him and his department. I sincerely hope I will not be proven wrong when I close, as I opened my remarks, by saying it is my understanding that it is the pride and joy of the minister that he looks ahead and plans. Please, sir, do not let us down.

Mr. Mongrain: Mr. Chairman, is my hon. friend willing to answer my question now?

Mr. Winch: Let me hear the question first.

Mr. Mongrain: We have been very much interested with all the questions he has posed to the Minister of Public Works. Here is my question: Does my hon. friend think we can expect that the other Mr. Winch will soon be in a position to give the government an answer to those questions.

The Deputy Chairman: Order. The hon. member for South Western Nova.

Mr. Comeau: Mr. Chairman, I do not wish to be lengthy in my remarks tonight because when these estimates were presented to the house earlier I talked at length on the problem just enumerated by the hon. member for Vancouver East, namely the lack of planning in the past with regard to deep water harbours. I wish to deal with the problem of deep water harbours in southwestern Nova Scotia.

I would simply like to know—and the minister knows what I am talking about because he was here the last time I discussed this matter—what are the department's plans for the development of deep water harbours in southwestern Nova Scotia. The government has provided subsidies for building larger and better boats, but there are no facilities for these boats. The wharves are crowded. There

is on the east coast a great future for the fisheries, but the fishermen need these facilities. In my speech, which is recorded at page 2400 of *Hansard*, I mentioned Parkers Cove, the combination harbour and a permanent crossing for Tiverton. I mentioned the Wedgeport area, West Head and many other places. I would simply ask the minister to tell us what his plans are for the development of such deep water harbours.

Mr. Simpson: Mr. Chairman, in dealing with the estimates of the Department of Public Works I would begin by saying that there are in the constituency of Churchill a number of projects which come within the jurisdiction of this department. However, there is one area which is at the present time waiting anxiously for a decision for the department. I refer of course to the town of Churchill. The people who live in Churchill are waiting to see what will happen with regard to their desire for redevelopment of the townsite.

It is interesting to know that for a number of years, I would say possibly since 1959, the federal Department of Public Works has been more or less designated as being in charge of the future developmentof the Churchill peninsula. The people living there are extremely anxious to learn the proposals the minister's department is going to offer to cabinet in relation to this development.

As the minister knows, Churchill is made up mainly of federal government employees, National Harbours Board employees, Department of Public Works employees and Canadian National Railways employees. Therefore it has been felt by previous governments, and I hope by this government, that at least 75 per cent of the obligation for the development of the townsite of Churchill falls upon the federal government. Many people who have followed with interest the problems of the people of Churchill often wonder why these people who are living within a community inside a province feel that the federal government has an obligation on their behalf to provide services which are normally provided by a municipality, town or city. However, Churchill happens to be in a vastly different category because were it not for mainly federal government establishments there would be no community whatsoever, apart from possibly a few native people. It is admitted, of course, that there are at Churchill a number of provincial government employees.

• (9:10 p.m.)

However, if one were to take a census I am sure he would find that something over 75 per cent of the people in Churchill are there as a result of federal government establishments. Before I make a plea to the minister with regard to the plans of the federal government for the development of Churchill, I should like to say that the people feel there are certain things they are desirous of having. I refer to such things as new land areas available, private ownership of housing and a full business development. They are interested also in consideration being given to the site of Fort Churchill being brought within the boundaries of the town for taxation purposes. I believe the minister and his officials should give serious consideration to a gradual withdrawal from some consumer services, thus permitting a gradual takeover by private enterprise. I believe the Murray B. Jones report recommended this procedure and suggested the new business tax revenues would augment the residential property taxes revenue.

There was a period of time when National Defence was strongly entrenched at Fort Churchill. A number of commercial services built up as a result, and at that time possibly they were necessary. However I would say that with the phasing out of the military establishment at Fort Churchill and the replacement of the personnel by public works employees, it now seems as though a careful look should be taken at the possibility of gradual withdrawal of some of the services which are available to the people, so that private enterprise could take over. Some of the areas which I suggest could be taken over by private enterprise would be structural contracting, probably transport services, vehicle maintenance, plumbing and electrical contracting, painting and possibly laundering and cleaning services. These could very easily be carried out by private enterprise. The people of Churchill have felt this way for some time, and I am sure there are a number of people there who would be willing to invest money in these various businesses.

The ironical part about the situation is that it seems many of the federal employees who have been transplanted into Churchill have gradually taken over the operation of some of these services. I must say that I have not seen evidence of a takeover by federal employees in all the fields I have mentioned, but in many cases federal employees have taken over some of these services. If they are being

provided with facilities to operate these services at nominal sums on government property, you can understand the consternation this creates amongst people who would like to operate these services in the townsite of Churchill.

I plead with the minister for an early decision by his department on some of the recommendations of the Murray B. Jones report. This report was developed partly as a result of the efforts of the federal government under C.M.H.C., through the co-operation of the province of Manitoba. However, I believe the people of Churchill contributed some 12.5 per cent of the cost of making the report.

There have been many reports over the years concerning the possible development of the townsite of Churchill. For some reason or other, these reports have never resulted in any development whatever. Some eight years ago, at a time when the Department of National Defence had an establishment in Churchill, a plan was presented by the federal government for the development of a new townsite some five miles removed from the present one. Unfortunately, but possibly for justifiable reasons, this plan was not accepted by the people of Churchill. Shortly after that, the military base was phased out, and for the last five years relatively no encouragement has been given to the people of Churchill to expect that there would be a development of their townsite. I know all the reports have suggested quite substantial outlays of money in relation to the development of this townsite. However, I believe I can speak on behalf of the people and tell the minister that, while consideration may be given to a plan to develop the town, if some means could be found to provide the people with sewer and water systems within the present townsite I am quite sure they would be willing to wait a little longer, until a complete development plan could be agreed upon by the federal and provincial governments.

I am certainly not casting any criticism the minister's way when I say this, but I know from discussions with him that he feels one of the things Churchill should do is become incorporated. Many people have this idea. The people of Churchill themselves have considered the possibility on many occasions, but for reasons of their own they have decided not to become incorporated. I only hope that the minister, in looking over the possibilities and the recommendations of the Murray B. Jones report, will not come to the conclusion that nothing can be done for the town of Churchill unless it becomes incorporated. I can assure him that if he does this, all he will be doing will be handing the ball back to the people of Churchill. He will be saying: Until you become incorporated, we have no further responsibility.

I would ask the minister to take particular note of the words of the Prime Minister on October 28 when, in my opinion, he accepted responsibility for the federal government. The Prime Minister stated, as reported at page 2090 of *Hansard*:

> After having met the premier of Manitoba, there was an exchange of correspondence. I wrote to him indicating that certain proposals that had been made by him were under review by us—
>
> I do want to make it clear that the ball is now in our court and that the cabinet will be receiving from the Minister of Public Works very soon according to my information proposals about measures that can be taken with regard to the city of Churchill.

He advanced Churchill to the status of a city in quick order. I am sure the people of Churchill would be very pleased to remain a community, provided they can get the services for which they are not only asking but which I feel they are justified in having.

• (9:20 p.m.)

The Prime Minister went on to say:

> I hope nothing in my previous answer left the impression that we were waiting for the government of Manitoba to act. I want to make it clear we hope to come forth with some proposal very soon.

I am very interested in the words of the Prime Minister when he said that "the ball is now in our court", indicating that this question is possibly far removed from the political football that the people of Churchill have tabbed it for many years. I only hope that the Minister of Public Works and his staff will realize the importance of bringing down proposals as quickly as possible. I think I can say that my understanding of the position of the province of Manitoba is that they are quite willing and prepared to meet their share of the obligation in developing this town as quickly as possible.

[*Translation*]

Mr. Fortin: Mr. Chairman, I would like to make a few brief remarks at this stage of the debate on item No. 1 of the estimates of the Department of Public Works and call to the attention of the house a particular matter. I would like most of all to draw it to the minister's attention, even if I have to

come back later in the debate to other special matters.

Mr. Chairman, as the member of parliament for Lotbinière, at the very beginning of the session I got in touch with the various departments to get information of particular interest to the population of the riding of Lotbinière, about statistics, salaries, in short everything.

At the same time, around the middle of September, I asked the research branch of parliament to make a study that could be classified under this heading: Works carried out by the federal government in the electoral riding of Lotbinière. I therefore asked the research branch of the parliamentary library to make a list of all the works already carried out or to be carried out in the riding of Lotbinière, as well as the nature and the cost of the said works.

The research branch did a wonderful job, Mr. Chairman. The researchers took the trouble of getting in touch with all departments. They took the liberty of disturbing some officials in their sleep—because some of them were asleep—and finally around the middle of November I received from the research branch of the library the following letter about public works. I would like to quote that letter signed by Mr. Laundy, director of the research branch that did such excellent work:

Dear Sir,

Please find enclosed the study on "Federal Government Works in the electoral riding of Lotbinière".

It is now obvious, Mr. Chairman, that it concerned works. And therefore, the departments most concerned in this matter is obviously that of Public Works.

In the second paragraph of his letter, Mr. Laundy says this:

We regret not to have been able to send you this work earlier. Our research were complicated due to the fact that the federal riding of Lotbinière does not coincide with the provincial riding.

This is quite understandable, and I do not blame the department for that. But in the third paragraph, Mr. Chairman, things get more complicated, and that is the reason of my intervention.

On the other hand, the Department of Public Works that had promised to send us certain information did not do so until several weeks later.

I would say several months later, since I requested that study in the middle of September, and it came only in November, and is still far from being complete.

I go on with my quotation:

Finally, we received the document which appears in appendix "C"—

of the document they sent me—

—and which does not permit us to assess accurately the expenses made by the federal government in the riding of Lotbinière.

Mr. Chairman, I wish to point out that the research service, though it has experts on hand, has not yet found what works were carried out by the federal government in the riding of Lotbinière. If the Department of Public Works itself, with its employees, its experts, its figures, its projects, its classification, cannot say what works it has carried out in the riding of Lotbinière, I wonder how one can expect the hon. member to inform adequately the people he represents on the works carried out by a government or a given department. It is an absolutely paradoxical and unacceptable situation.

I continue to quote:

We have tried to reconcile the information given in that document with the figures quoted in the house on October 23, 1968—

I had to ask dozens of verbal or written questions, to help the research section to arrive at specific conclusions, since the department was unco-operative. This is why my answers, which in fact were questionable had to be used. Nobody wants to answer, Mr. Chairman.

I continue to quote the director of the research section:

As a result of the difficulties which we met, we applied again—

This means that the researchers had previously contacted more than once the Department of Public Works.

—we applied again to the Department of Public Works which was unable to tell us how those figures could be reconciled.

Mr. Chairman, who ever heard of such an administration? It is fantastic and unbelievable!

We can fight and struggle and resort to all kind of devious means to obtain the relevant figures, but the officials assert: "We know nothing about those figures, we never heard of them, but we do know that certain projects have been completed". They are then asked, on the basis of the answers given to the questions put on the order paper and those provided by the research section, if they can give further information. The experts of the research section try to reconcile the answers.

Since the whole thing was as clear as ditchwater, they contacted the people who were supposed to know and the end result was a complete imbroglio.

Therefore, it appears that even the officials of the Department of Public Works cannot get together on the figures with which they supply the members.

Mr. Chairman, this is unheard of, this is fantastic. I continue:

> However, we were promised—

continues the director of the Research Department—

> —we were promised—

and I add—on several occasions—

> —written supplementary explanations upon our request. Therefore, we are taking all necessary steps to obtain this supplementary information, which we will forward to you as soon as we get it.

The purpose of the work which I had requested from the Research Department was to find out in detail, since it was not mentioned in the revised estimates, what projects had been carried out by that department in the electoral riding of Lotbinière. I wanted to know in order to fully inform my constituents of the help given by the federal government to those dynamic people who are so much in need of it.

• (9:30 p.m.)

We therefore come to the following conclusion: the research section of the Parliament Library which does a tremendous job, and is made up of people of goodwill, of extreme competence, was unable to do a complete job. The researchers excuse themselves; the fault is not theirs but, doubtless, according to some employees of the research section, that of the department or of some of the employees of the Public Works Department.

Mr. Chairman, I should like to specify that I am not blaming the situation on the minister himself; I know he has other things to attend to, but I should like to ask him, expressly, to order an inquiry in his department as soon as possible in order to find out why his officials refuse, knowingly, to give replies to hon. members.

I think that no matter what party any member belongs to, he has the right to know what the government is planning to do or is doing in his riding and for this reason the Minister of Public Works should have an inquiry made in his department so that in future his department will give the same close co-operation as the other departments give to the research service set up to inform all members.

Mr. Chairman, I think that it is essential before we consider statistics and shuffle through many projects which are in many cases very desirable—and as I said earlier in my speech, I do not want to deal with particular points—to bring up this point so that the minister will see to it that some changes are brought to this factual situation which is completely unacceptable.

Before concluding my remarks, I would like to draw the attention of the minister to the great needs of the riding of Lotbinière, and particularly to those of the region of Bois-Francs, in order that a federal buildnig might be constructed in the very dynamic municipality of Victoriaville. The need is urgent. At the present time, the offices of the Manpower Centre are perched, so to speak, on the third floor of the Victoriaville post office which—although I do not mean to compete with the hon. member for Témiscamingue (Mr. Caouette), who said the other day that a post office in his riding looked like a hen house—looks like a hundred year old hen house.

Mr. Chairman, I do not want to bother the minister about this. I know he takes it seriously. As a matter of fact, whenever I have raised the question with him, he has considered it carefully. I wish to tell him we are getting impatient, especially the people in the riding of Lotbinière and in the area of Bois-Francs, and we are awaiting a favourable answer from him because we would like to know exactly where things stand concerning the construction of a public building in Victoriaville.

Then, Mr. Chairman, I would like to ask again the minister to order a complete inquiry among officials of his department, so that in future those officials will no longer refuse to supply information which is not absolutely confidential, and to which members are entitled, regardless of their party affiliation, in order to do a better job and to inform their constituents.

I shall therefore hope to receive soon in my office the answer of the minister to the request I have presented to him, and I hope that the officials in the gallery are listening attentively and that they will refresh the minister's memory. I think that all hon. members will recognize that we have a right to be informed and that this right must prevail over the interests of civil servants.

[*English*]

Mr. MacGuigan: Mr. Chairman, I rise merely to say a few words by way of support for the arguments advanced by several hon. members opposite respecting the necessity of the Northumberland causeway to Prince Edward Island. While these hon. members have presented the case for the causeway very well, it might be useful if support from both sides of the house were indicated for this very important project.

I think we all realize that Prince Edward Island is one of the poorest areas of the country, in terms of its possibilities for industrial development. It may be that at some stage in the future oil will be discovered. Companies have searched there before for this valuable product. It may be that great industrial complexes will be built up, but this does not seem within the realm of reasonable expectation. What would seem to be more likely is that advantage could be taken of those resources that are naturally already there, and these resources are principally in the areas of farming, fishing and the tourist industry.

I would like to take the tourist industry as an example of the development problem the Island faces. All those of us who have waited in the long line at either Cape Tormentine or Borden know of the wait of five, six, or seven hours which may occur before ferry space is available to take one across. There is no doubt that this is not only a factor which makes the life of the tourist going to or from Prince Edward Island more difficult, but it is also one which inhibits the tourist trade both by reputation and by experience. On almost any summer day one can sit there in a car and see a number of other cars leaving the line because the people are no longer willing to wait. It has been estimated in a survey conducted by the Stanford Institute that the tourist capacity of P.E.I. could easily be some 3.6 million tourists, and yet at the present time facilities are able to take over only some 400,000 tourists a year. If we were going to have enough ferries to carry the maximum number of tourists across, instead of the four ferries which we have had during recent years in active service, we would have to build 32 ferries at a cost of some $14 million per ferry. According to my calculations this amounts to more than the highest estimate of the cost of the causeway. I present this merely as an example of the potential for development if this valuable transportation link were built.

This is not merely a matter of importance to those people who happen to be citizens of Prince Edward Island, or even to those who happen to want to visit there to spend part of their summer on the beautiful beaches of that fair isle. It seems to me it is important to all the people of Canada to aid in the development of this province, rather than continuing in the tradition of handouts. It is important to aid in the development of those resources which are naturally there, which are those that can most adequately be built upon by aid from the federal government.

Mr. Schreyer: Mr. Chairman, I would not want anything I have to say to be misconstrued as being critical of the minister, either personally or in the carrying out of his duties to date. I want to say also however that it is difficult to be too critical of the policies of the Department of Public Works as they have been carried out in the past two or three years.

I begin my remarks by saying that, like my colleague from Vancouver East, I want to make some reference to the notion of planning in the minds of those responsible for this department. It is pretty difficult to understand what possible notion of planning this department can have when it succeeds in bringing before us estimates calling for over $40 million in the construction of buildings here in the capital city area alone, at the very time when costs have risen to an all time high—the cost of money, the cost of land and other factors. We look at the estimates and we see an appropriation of over $41 million for the construction of office space and buildings in the capital region, and an appropriation requested of something like $16 million for rental which, I take it, is for rental of space in buildings. Last year the former member for Carleton, Mr. Bell, and I filed questions on the order paper having 10 or 12 parts to them, in an effort to get information from the department as to what their building or office space rental policy was.

• (9:40 p.m.)

We sought to ascertain how much they were paying per square foot, whether the department had agreed to lease space before construction began, and so on. More than five months elapsed and eventually the house was dissolved; the answers to these questions were never provided by the department. I am glad to see that an hon. member of the Conservative party has re-filed a lengthy question

on the subject of departmental building practices. I hope the minister will take the time necessary to check into what the department has been doing in connection with rental policy. I am informed on fairly good authority that there has been a slip-shod and neglectful approach to the renting of space—that whole floors of newly constructed, privately owned buildings have been leased by the department at high rents, and then allowed to go unused for months. I am told that after being vacant for several months—and this is space for which $5.85 a square foot is being paid—staff would be brought into this accommodation, but not in sufficient numbers to make complete use of it—a space intended for 35 or 40 people would be used by only 10 or 12.

On October 1 of this year an article appeared in one of the Ottawa papers about departmental policy with respect to building construction. According to this article the Department of Public Works had somehow changed its thinking, and has decided to pay more regard to suitability for function than to the notion of prestige in connection with office buildings. If this is so, it is a welcome development and I should like to think that the new Minister of Public Works has something to do with this change in outlook. We are offered, as an example, a set of figures relating to the Department of National Health and Welfare Building at Tunney's Pasture. Judy's tower, it was called. This was to have cost $10 million for 18 floors 220 feet high. Since then, apparently, even though construction costs have risen, it has been possible for the department to estimate that it can be built to 23 floors, 30 feet higher overall, for $3 million less.

If this is the result of applying the policy of suitability for use, rather than prestige, I pray that the department will stick to its guns and follow this new policy. If it can get more space for less money, if it can build for $16 a square foot instead of $23 let us have more of it. But I know that the department must be under pressure from other departments of government to slip in a few extras so as to provide a building with a prestige image. Maybe a time will come when the government can afford prestige buildings. But that time is certainly not now, when we seem to be encountering all kinds of economic and financial difficulties, when the government is under pressure from the provinces and from many other quarters to embark upon increased expenditure. Here is one area in which money can be saved. So far it has not been considered. The health and welfare building at Tunney's Pasture is one example. The National Arts Centre is another. The example now being set by some ministers of the crown also leaves a great deal to be desired.

[Mr. Schreyer.]

At a time when the government cannot find enough money to raise the pensions of superannuated civil servants there is something obscene about pouring $46 million into a National Arts Centre, and about providing office space for cabinet ministers which one does not measure by the square foot but by the acre, complete with luxurious carpeting, expensive wood panelling, coloured telephones and all that kind of nonsense. Who needs it, except perhaps ministers with a more than usually developed egotistical sense? I know this does not apply to the Minister of Public Works, and I hope he will see to it that the Department of Public Works is able to resist pressures for prestige office space and prestige office buildings.

It is my understanding that the Department of External Affairs is to have a new building soon. This is a senior department and I would be very surprised if it did not attempt to use seniority and muscle to get a prestige building. The argument will be that such a building is necessary in order to give an impressive image to visitors from foreign countries. I suggest this is a poor argument. If Canada wishes to impress people from other countries it could best do so by providing more in the way of foreign aid. We are a young country with a great future, and we should be prepared to do more to help less fortunate nations. There should be no need to resort to such artificial things as prestige, connected somehow with office buildings and their appointments.

There is something basically unfair about spending more than $40 million on office space here in the capital at a time when it is difficult to find money for very necessary public works in other regions of this country. The hon. member for Windsor-Walkerville referred to the need to build a causeway for Prince Edward Island. The hon. member for Vancouver East complained of the extreme difficulty of access to the airport at Vancouver. Many other examples could be given. In my own riding there is a crummy old bridge which can only be used under restriction because the department cannot find a couple of hundred thousand dollars to get it fixed. The industry of the area, which depends on trucking, has been placed at a disadvantage for two years because trucks have to be re-routed for 15 or 20 miles, and

this will continue as long as this crummy old bridge stays unrepaired.

• (9:50 p.m.)

I do not know how many studies have been made. The department has tested it on a number of occasions. Its first finding was correct. The eastern approach to the bridge was weak and unable to support heavy loads hitting the ramp at high speeds and so the weight restriction was imposed. But one would hope that after the passage of a year there would be some definite indication that at least there would be a timetable for repair of this bridge. However, there has been nothing of the sort. My latest information, provided by the minister himself, is that the federal government is not going to negotiate with the province of Manitoba to see about cost sharing this bridge over the St. Andrews lock and dam. This is a federal structure and has been so since about 1910. But although this would cost only a few hundred thousands of dollars, or thereabouts, to the federal government in cost sharing with the province, I point out that up to this point in time the federal government is pouring money by the millions into projects which, instead of being built and conceived in terms of function and use, have all too often been thought of in terms of prestige and glamour, and of satisfying the ego of some of those who occupy the buildings in question.

I wish to tell the minister that no one expects him to come before the standing committee on broadcasting, films and assistance to the arts to tell the committee how it was that the initial estimate of $18 million for the construction of the arts centre in Ottawa somehow escalated upward to $46 million or $47 million in the end. He was not the Minister of Public Works at the time the difficulties were experienced. But I wish to tell the minister that his immediate predecessor in office, who was invited by the committee to appear before it in order to give an outline of the sequence of events that led up to this drastic increase in the cost of construction, does not want to come before the committee. He is invoking some rule of parliamentary precedent, but I think that some of these days we should ask the house for unanimous consent to allow the former minister of public works to appear before that committee in order to give us the facts.

It is not fair to expect the deputy minister of public works to answer all of the questions inasmuch as in the end the matter comes down to certain policy decisions taken in the department. How in fairness can the minister, or rather his predecessor, expect the deputy minister to be in a position to answer questions in that respect? This was the experience in the committee.

The basic question is that the costs escalated from $18 million to $46 million. On four or five separate occasions it was necessary to go before Treasury Board to get approval for upward cost revisions. Who made these decisions? Who recommended to Treasury Board that all this be approved? We cannot get the final answer because the minister who was up to his neck in that whole matter will not say, and he will not come before the committee.

Now, Mr. Chairman, I wish to make a quick reference to one other item. It has to do with the matter of river bank stabilization. To my surprise I found that the federal government shares the cost, and sometimes pays 100 per cent of the cost of river bank stabilization, even if the work involved be undertaken to protect privately owned property against river bank erosion or slippage.

I am not quarreling with the principle of whether or not the federal government should pay out money to protect the banks of rivers running along the front of property that is privately owned. I am not quarreling with that for the moment; but I do wish to say that for the past five years I have been unable to get any clear indication of the criteria that go into the decision making by the department as to what particular application for federal cost sharing for river bank stabilization will be approved or not.

Quite often one or another province, one or another municipality within a province, jointly or separately will make application to the Department of Public Works for cost sharing to shore up and stabilize river banks involving private property and sometimes municipal property. From my experience to date the federal government has not shown any easy inclination or quick intention to get involved in that kind of expenditure. Yet according to a return furnished in reply to an order of this house just a few days ago I found that in fact the federal government had disbursed sums in the amount of several hundreds of thousands of dollars to help pay for, and in some cases totally pay for the cost of such river bank stabilization work.

I know that the minister, when he was minister of Indian affairs and northern development, was in the habit of answering some of the questions asked and criticisms made during discussion of estimates, by letter. I

hope in this case he will give some indication as to the standards or criteria which lie behind the decision taken by the Department of Public Works as to whether or not a particular application for river bank stabilization cost sharing will be accepted.

Perhaps, Mr. Chairman, in many ways this is a rather mundane subject to raise during consideration of the estimates, but when one looks at the estimates and sees how the Department of Public Works over the past few years has spent money with abandon in many instances, one need not apologize for trying to find out why it is so hard to get a few thousand dollars, or a few hundreds of thousands of dollars to do some needed public work in some other region of the country removed from the national capital. I hope the present minister will be more responsive to the requests made of the Department of Public Works by provinces in the east and in the west, and show a little less solicitude for prestige building here in Ottawa.

The Deputy Chairman: It being ten o'clock it is my duty to rise, report progress, and request leave to sit again at the next sitting of the house.

Mr. MacLean: Mr. Chairman, if I might rise on a point of privilege, since it is obvious that our time has run out and that these estimates may not be before the committee again for some time, perhaps I could have the indulgence, and the minister could have the indulgence of the committee for just a moment to tell me when the government may be in a position to make an announcement regarding the causeway to Prince Edward Island?

Progress reported.

BUSINESS OF THE HOUSE

Mr. Macdonald (Rosedale): Mr. Speaker, before we proceed to the adjournment motion perhaps in response to the hon. member for Malpeque I could indicate that, subject to discussions with his colleagues and other hon. members opposite, it would be our intention to call the estimates of the Department of Public Works again a week from tomorrow, that is, a week Wednesday, so that we will have an opportunity to have further discussions on these estimates.

Mr. Knowles (Winnipeg North Centre): And perhaps some answers?

Mr. Macdonald (Rosedale): And, with patience, perhaps we could. In the meantime, as announced last night, we will deal tomorrow with the Department of Justice, on Thursday with the Department of Labour, and on Friday with the Department of Transport.

[Mr. Schreyer.]

• (10:00 p.m.)

PROCEEDINGS ON ADJOURNMENT MOTION

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

ADMINISTRATION OF JUSTICE—COMPENSATION FOR INNOCENT VICTIMS OF CRIMINAL ACTS

Mr. John Gilbert (Broadview): Mr. Speaker, on November 4 I directed the following question to the Minister of Justice:

> In view of the rejection by the law enforcement board of Ontario of a claim for compensation by the dependant mother and survivors of Larry Botrie, the Toronto cab driver who was killed by a criminal recently, is it the intention of the government to introduce legislation during this session to compensate innocent victims of criminal acts?

The minister replied:

> Mr. Speaker, for the moment I think the definitive word on that subject was pronounced by my colleague, the Solicitor General before the committee on justice and legal affairs.

When the same question was referred to the Solicitor General he indicated that it was not the intention of the government to bring forward legislation at this session.

I should like for a few minutes to refer to the particular case of Larry Botrie. This was a young Lebanese man who came to Toronto eight years ago and worked with his brother as a taxi driver. In the month of April this year he picked up three young passengers aged 23, 15 and 14. They told him that they wanted to go out of town, when in fact they planned to tie him to a tree on a lonely road and steal his money and his car. On Yonge Street, north of highway 401, Botrie became suspicious of his passengers and asked to be paid in advance. When they refused he turned into a Shell gas station, telling his passengers he was going to call the police. In the front seat the 15 year old pulled a bread knife from under his jacket, held it against Botrie's chest and told him to drive on. At the same time the 15 year old yelled to the 23 year old passenger in the back to get the gun which was hidden in the rear seat.

Botrie pulled the knife from the hand of the 15 year old, jumped out of the car and shouted to the gas attendant "Get the police".

Boyd, the passenger in the back seat, pulled the trigger of the gun and Botrie fell to the ground. When he was on the ground and began to crawl he was shot twice and killed. Shortly a police sergeant arrived and faced the same gun of Boyd that had killed Botrie. The sergeant took out his gun and shot and killed Boyd.

When Larry Botrie came to Canada he worked as a cab driver and sent some $35 a month to his widowed mother in Lebanon. It cost $4,000 to ship his body home. In early November this year a provincial agency, the Law Enforcement Compensation Board, heard a claim for compensation for Larry Botrie's dependant mother, and his survivors who paid the funeral expenses. The board rejected the claim on the narrow ground that the act says compensation will be paid for any person killed or injured in or resulting from assistance given a policeman in making an arrest or in keeping the peace. In other words, it is necessary that assistance be given the police while a policeman is on the scene; he must be there. On that narrow ground the board rejected the claim.

You will note that the legislation is not in respect of compensation for innocent victims of a crime. This is the reason I asked whether the government intends to bring forward immediate legislation to compensate the victims of criminal acts. It is no answer to say that this is a provincial matter because it falls within the area of law enforcement and therefore is not a federal responsibility. I should like to remind the house that the R.C.M.P. has a contract of law enforcement in all provinces of Canada, with the exception of Ontario and Quebec. There is no reason that there should not be included in that contractual obligation a provision by which there would be compensation for victims of criminal acts of violence.

At the last session the hon. member for York-Humber brought forward a private members motion recommending that a compensation board be set up to help innocent victims. The principle of the motion was accepted by the government and the matter was referred to the committee on justice and legal affairs, before which experts appeared and gave evidence with regard to other acts in other jurisdictions. I could rightly say that there was general agreement with regard to the principle. What has happened? The federal government has taken no action. In the meantime two provinces of Canada, Saskatchewan and Ontario, have brought forward legislation.

The Ontario act is far too narrow and really does not solve the problem in respect of compensating the innocent victims of criminal acts. The Saskatchewan act is a much better one, which brings together the wisdom and the experience gained from the existence of acts in other jurisdictions.

What is going to happen? If we leave this to the provinces we are going to have a hodgepodge of different acts across the country, with differences concerning jurisdiction, the type of acts giving compensation, and differences with regard to the amount of compensation. The result will be that Canadians by and large will not be treated fairly in respect of this serious problem.

What we need is a federal act embracing the best legislation, based on the experience of other jurisdictions, notably England, New Zealand, California and New York, all of which have had working experience with this type of problem. We owe it to the memory of Larry Botrie and all other citizens—

The Acting Speaker (Mr. Béchard): I regret to interrupt the hon. member, but his time has expired.

[*Translation*]

Mr. Jean-Charles Cantin (Parliamentary Secretary to the Minister of Justice): Mr. Speaker, I know how concerned the hon. member is about the progress of the well-being of our citizens. That concern, however, is shared by all hon. members.

The desire to improve our laws must be accompanied, more specially in the case of the party in power, by a concern for preparing laws which are constitutional. As a matter of fact, the hon. member understood that difficulty when he himself said that such legislation comes primarily under provincial jurisdiction. Although the R.C.M.P. may, by contract, be active in certain provinces, this does not in any way alter this principle.

Now, to my mind, there should, first of all, be an agreement between the provinces and the federal government in order that an act in keeping with the constitution might be passed.

At any rate, the Minister of Justice knows the Saskatchewan laws, as he does that which is known in Ontario as the "Good Samaritan Law"; the same applies to the studies made by Osgoode Hall, and the report of Mr. Feeney of Ottawa. All those works are now being studied. Let us hope that some day we will be able to pass a law which applies to all Canadians.

Proceedings on Adjournment Motion

[*English*]

CANADIAN BROADCASTING CORPORATION—UNION DISPUTE RESPECTING REPORTING OF OTTAWA CONFERENCE

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my appearance on the late show arises from a situation which developed as a result of the dominion-provincial conference held in two areas in Ottawa a number of days ago. The C.B.C. had assigned one Ron Laplante from the province of Quebec to come to Ottawa and record a part of the proceedings, but because of a jurisdictional dispute between two unions his copy was treated as hot copy, and he could not make his reports.

This situation has many ramifications, a good number of which distressed me. I do not believe in seven minutes I could deal with all the distressing points, and I certainly do not think I could resolve the jurisdictional dispute between the labour groups, because I am not aware of all the facts. The situation which took place then I am sure could take place again and again. Because I do have good information that the situation as it existed then has not been resolved, I thought it would be worth while to present this matter to the house during the squawk show this evening.

• (10:10 p.m.)

I was a member of the committee of the House of Commons which dealt with Bill C-186 during the last session of parliament. I know how I and other members of the committee agonized over the problems of seeing that working people were represented by the labour union that they felt best could serve their interests. I know that we also had many discussions in that committee about the dangers, if national bargaining units were broken down into regional bargaining units, and where this would lead us. Even without the benefit of Bill C-186 perhaps we now have our answer in what happened with regard to our national broadcasting system as it attempted to report on this dominion-provincial conference in Ottawa. Therefore I feel that in the public interest this matter should be raised here.

There is of course the issue of freedom of the press and the public's right to know, and our rights as people in a nation not to be hurt or hindered in our knowledge by regional battles. I do not know whether Mr. Laplante, for example, was brought in to present a particular point of view, the Quebec government's point of view, let us say. He must have been there at the request or order of management for some particular purpose which would have helped each one of us understand a little more about that conference.

If this sort of incident were repeated, one could foresee that planes would be grounded in Montreal on their way from good old Halifax to good old Ottawa because the stewardess on the Montreal to Ottawa run carries lemonade as efficiently but wears a different union label, say, than the pilot on the plane. That sort of situation of course would be ridiculous, but I suggest hardly more ridiculous than what I know of the incident I have mentioned.

I do not think we can build a nation when there is a possibility that squabbles between groups, who one might think would have the same interest but are really competing with each other, would result in the action that was taken in this particular case. I know from newsmen—and I used to be a newsman—that the battle for the union in Montreal was a very hard fought one. I know there are probably some scars left by it that will be around for a long, long time. But the fact is I very seriously question that the sort of thing that happened in the Laplante incident should have happened, and I would like some assurance in this respect. I suppose the parliamentary secretary to the Secretary of State (Mr. Stanbury) will answer, but I really think it is more a matter within the purview of the labour department. On behalf of the Canadian people we would like some assurance that this sort of thing is not apt to happen again.

Mr. Robert Stanbury (Parliamentary Secretary to Secretary of State): Mr. Speaker, I thank the hon. member for bringing this serious problem to the attention of the house. He will recall that last September the Canada Labour Relations Board certified the Confederation of National Trade Unions as the bargaining agent of C.B.C. newsroom employees in Montreal and Quebec City, who were formerly represented by the Canadian Wire Service Guild, the union representing other C.B.C. newsroom employees.

I am informed by the C.B.C. that a Montreal based reporter was assigned to cover the federal-provincial conference for C.B.C. radio news as a Quebec specialist. The reporter was a C.N.T.U. member, and the C.W.S.G. maintained that coverage of news outside of Montreal and Quebec City falls within their jurisdiction. Consequently, the C.W.S.G. refused to

allow the reports by the C.B.C. Montreal reporter to be aired, despite efforts by the C.B.C. to have them broadcast.

Now, the C.B.C. advises that it attempted to arrange a meeting between the corporation and the two unions, but this attempt was unsuccessful. The C.B.C. has assured me it is continuing its efforts to resolve this jurisdictional problem, but failing this the matter may have to be referred back to the Canada Labour Relations Board for a ruling. In the meantime, Mr. Speaker, I can assure the hon. member that all the facilities of the Secretary of State, and I am sure of the Minister of Labour, are entirely at the disposition of the parties to this dispute.

Motion agreed to and the house adjourned at 10.18 p.m.

HOUSE OF COMMONS

Wednesday, November 20, 1968

The house met at 2.30 p.m.

[*Translation*]

CANADA DAY

PROVISION FOR NAME AND OBSERVANCE OF NATIONAL HOLIDAY

Mr. Gilles Marceau (Lapointe) asks for leave to introduce Bill No. C-132 entitled: An Act respecting Canada Day.

Some hon. Members: Explain.

Mr. Marceau: Mr. Speaker, I never did get a chance to mention your appointment to the high office you hold and I take this first opportunity to congratulate you.

Some hon. Members: Hear, hear.

Mr. Marceau: Every legislation passed by the House of Commons must meet a need or recognize a state of affairs which the federal parliament feels is in the best interest of the Canadian people.

[*English*]

The bill I respectfully submit to the kind attention of the hon. members of this house meets at the same time these two requirements.

[*Translation*]

For most Canadians who have reached political maturity, Dominion Day recalls the past; Canada Day, on the contrary, represents the present and the future.

Some hon. Members: Hear, hear.

Mr. Marceau: The idea is not new, but it is like a ripe fruit and must be picked before it is too late.

[*English*]

Mr. Speaker: Order, please.

[*Translation*]

Mr. Marceau: It will take me thirty seconds only.

Mr. Speaker: In calling the hon. member for Lapointe to order, I am tempted to say that the more things change the more they are the same.

Some hon. Members: Hear, hear.

Mr. Marceau: Exactly, Mr. Speaker, I would like things to really change, for once.

In order that the first Monday of July may become the day of the living and not of the dead, I move that the act respecting Dominion Day be repealed and replaced by an act respecting Canada Day.

[*English*]

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

USE OF AUDITOR GENERAL BY GOVERNMENT BODIES

Question No. 75—**Mr. Fortin:**

1. Does the government intend to appoint the Auditor General of Canada as auditor or co-auditor for Air Canada, the Bank of Canada, the Industrial Development Bank, the C.N.R., C.M.H.C. and the Canadian Wheat Board and, if not, for what reason?

2. What is the advantage of appointing private auditors?

3. Does the government intend to permit the Auditor General of Canada to recruit his own accountants?

Mr. J. E. Walker (Parliamentary Secretary to Prime Minister): 1. No. It is the belief of the government that the present arrangements are satisfactory and economical.

2. By the very fact of incorporation, these crown corporations are intended to have a large measure of responsibility for the performance of their statutory functions and to be able to function more or less as other companies do, and in several instances to compete with them. Because they are commercially oriented and are intended to operate at arm's length from and without the day-to-day governmental and parliamentary surveillance that is the case with government departments, it would seem proper that these crown corporations should, as a matter of policy, be audited

by public accounting firms that would treat and serve any other commercial corporation. Such a policy will best ensure that the arm's length relationship and the operational independence and freedom of these corporations conferred on them by parliament are adequately safeguarded, and that the corporations have the use of the same kind of commercial accounting advice from their auditors that privately owned companies have.

3. Such officers and employees as are necessary to enable the Auditor General to perform his duties are appointed in accordance with the provisions of the Public Service Employment Act.

PROPERTY EXCHANGE, CRAIG STREET, MONTREAL

Question No. 79—**Mr. Fortin:**

1. Have transactions been completed relative to the exchange of property on Craig Street in Montreal?

2. Has the Government of the Province of Quebec withdrawn its notice of expropriation relative to this property?

3. Has the advisory committee established by Treasury Board relative to such properties (Craig Street, Longueuil) submitted its report and, if so, what are its conclusions?

Mr. Yves Forest (Parliamentary Secretary to the President of the Privy Council): I am informed by the Department of National Defence and the offices of the Prime Minister and the Privy Council as follows: 1. No. The city of Montreal was unable to complete the exchange of lands negotiated with the Department of National Defence because the province of Quebec expropriated the city's interest in the Craig street armoury site before documentation was completed.

2. No.

3. Yes. The report is in the form of a confidential memorandum prepared by officials in the public service for the use of the Treasury Board. It is not considered in the public interest to publish reports of this type.

PUBLIC SERVICE BENEFITS WITHHELD FROM CROWN CORPORATIONS

Question No. 119—**Mr. Fortin:**

What Crown Corporations are excluded from the following and for what reasons (a) the Government Employees Compensation Act (b) the Civil Service Pension Act (c) the death benefit program (d) the Group Surgical-Medical Insurance Plan?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council):

Excluded Corporations	Reason
(a) Air Canada Bank of Canada Canadian National Railways Canadian Wheat Board Export Credits Insurance Corporation Industrial Development Bank	These corporations have made alternative arrangements.
(b) Air Canada Bank of Canada Canadian Broadcasting Corporation Canadian National Railways Canadian Wheat Board Central Mortgage and Housing Corporation Eldorado Aviation Limited Eldorado Nuclear Limited Industrial Development Bank Northern Transportation Company Limited Polymer Corporation Limited	These corporations have established pension plans of their own in accordance with statutory authority.
Canadian Patents and Development Corporation	The corporation's staff are employees of the National Research Council of Canada seconded to the corporation and, as such, are not excluded.

Questions

Excluded Corporations	Reason
(c) Air Canada Bank of Canada Canadian Arsenals Limited Canadian Broadcasting Corporation Canadian Corporation for the 1967 World Exhibition Canadian National Railways Canadian Overseas Telecommunication Corporation Canadian Wheat Board Central Mortgage and Housing Corporation Crown Assets Disposal Corporation Defence Construction (1951) Limited Eldorado Aviation Limited Eldorado Nuclear Limited Industrial Development Bank Northern Transportation Company Limited Polymer Corporation Limited The St. Lawrence Seaway Authority	These corporations have established group life insurance plans of their own, in accordance with statutory authority.
Canadian Patents and Development Corporation	The corporation's staff are employees of the National Research Council of Canada, seconded to the corporation and, as such, are not excluded.
(d) Air Canada Atomic Energy of Canada Limited Bank of Canada Canadian Arsenals Limited Canadian National Railways Canadian Overseas Telecommunication Corporation Canadian Wheat Board Central Mortgage and Housing Corporation Crown Assets Disposal Corporation Defence Construction (1951) Limited Eldorado Aviation Limited Eldorado Nuclear Limited Industrial Development Bank Northern Transportation Company Limited Polymer Corporation Limited The St. Lawrence Seaway Authority	The corporations have established group surgical-medical insurance plans of their own, in accordance with statutory authority.
Canadian Broadcasting Corporation	Participates in voluntary group medical plans.

REPORT ON BAY OF FUNDY TIDES

Question No. 169—**Mr. Coates:**

1. On what date does the government expect to have the final report from the Federal-Provincial Committee that is carrying out a feasibility study into the harnessing of the Bay of Fundy Tides from a power point of view?

2. Will an interim study be made available to the government in this matter and, if so, will this study be made available to Members of the House of Commons?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): 1. The report of the

Atlantic tidal power programming board is expected to be available in July, 1969.

2. A progress report of the tidal power study was made available to the participating governments in February, 1968 and a press release outlining the progress achieved was issued at that time. No general distribution of this report is proposed because of the incomplete nature of most of the information then available.

REQUESTS FOR CANADIAN AIRCRAFT FOR BIAFRA RELIEF FLIGHTS

Question No. 319—**Mr. Macquarrie:**

1. What international aid organizations within Canada (such as Oxfam of Canada) have sought to procure Canadian government aircraft for the purpose of air-lifting food supplies to Biafran war victims?

2. What was the response to such requests?

3. What criteria were stipulated as essential pre conditions to a transfer of Canadian aircraft for such purposes?

4. Does the Government of Canada have any knowledge of aircraft of other countries being used in the air-lift of food supplies to Biafra?

5. What is the total value of food supplies from Canada known to have reached Biafra?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. The Canadian Red Cross, on behalf of the International Committee of the Red Cross, sought Hercules aircraft from the Canadian government to fly from Fernando Po into the rebel-held area in Nigeria. UNICEF has inquired whether Canada would be in a position to supply large helicopters to be operated between the offshore islands and the mainland. More recently, Norchurchaid, a Scandinavian church group operating from Sao Thome, requested the government to make two Hercules aircraft available to them for their own use.

2. An aircraft placed at the disposal of the Canadian Red Cross for the airlift between Fernando Po and the rebel held area became operational on October 26. The government indicated it was unable to accede to the requests made by UNICEF and Norchurchaid.

3. The major criterion was that the agreement of the Nigerian government be obtained for use of Canadian aircraft in Nigerian airspace.

4. Reports indicate that the national Red Cross societies of Sweden, Norway, Denmark, Finland and the Netherlands have each made a single aircraft available to the ICRC for the airlift from Fernando Po into the rebel held area of Nigeria.

5. So far about $900,000 out of the food aid allocation of $1,000,000 has been shipped, arriving at Fernando Po November 7 and at Lagos November 9. Three sevenths of this amount is consigned by the Red Cross to the Biafran side.

C.B.C. ADVERTISEMENT "TELEVISION IS"

Question No. 320—**Mr. Peddle:**

1. What was the cost to the CBC of full page advertisements captioned "Television Is" and several smaller advertisements with the same theme, appearing in the Ottawa *Journal* and the Ottawa *Citizen* dated September 28, 1968?

2. Have similar advertisements appeared in other Canadian newspapers and, if not (a) will they appear (b) in what newspapers, and (c) at what cost?

Hon. Gérard Pelletier (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. There was no direct cost to the C.B.C. for the "Television Is" advertisement in the Ottawa *Journal* and the Ottawa *Citizen* (September 23 to 28 inclusive) since the newspaper space was made available on a contra-account basis whereby the newspapers received comparable dollar value in broadcast advertising in return for newspaper space.

2. Yes, similar advertisements have appeared in several newspapers in Alberta, Manitoba, Ontario and Newfoundland.

FEDERAL-PROVINCIAL POLLUTION CONTROL COUNCIL

Question No. 374—**Mr. Anderson:**

Have any replies been received from the provinces to the 1967 invitation of the Minister of Energy, Mines and Resources to establish a Federal-Provincial Pollution Control Council and, if so, what is the nature of the responses?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): The offer to establish a national advisory committee on water pollution was presented to the provinces in 1967. Six provinces have commented on this proposal and their general reaction was favourable. This matter was considered further at a meeting of the Canadian council of resource ministers in October, 1968 and more discussions are planned over the next few months.

C.B.C. HEADQUARTERS BUILDING, MONTREAL

Question No. 448—**Mr. Valade:**

Did the Secretary of State communicate with or authorize any other person to communicate with any official of the Canadian Broadcasting Corporation in Montreal to obtain a statement during the months of May or June on the proposed starting of work on Place Radio-Canada in Montreal and, if so, what is the name of that person and his position in the C.B.C.?

Hon. Gérard Pelletier (Secretary of State): No, a search of departmental and Canadian Broadcasting Corporation records has revealed no evidence of any such communication or authorization.

STUDIES OF RIVER BASIN PLANNING

Question No. 458—**Mr. Harding:**

1. Have proposals been made by the government to any of the provinces for joint pilot projects and studies to develop and test comprehensive approaches to river basin planning and, if so, when were these proposals made?

2. Have any projects been agreed upon and, if so (a) what and where are they (b) what is the estimated cost of each project?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): 1. Yes, proposals were made collectively to all of the provinces on May 5, 1967 and individually to each province on December 21, 1967, and additionally to British Columbia on September 24, 1968.

2. No. (a) Preliminary discussions are in hand with British Columbia. (b) This information is not available at the present time.

AID APPLICATIONS FROM NON-DESIGNATED ATLANTIC AREAS

Question No. 465—**Mr. McCleave:**

1. Did any member of the Ministry indicate that the Atlantic Development Board would receive applications from the non-designated areas of Nova Scotia and New Brunswick for aid similar to that given by ADA and, if so, whom and when?

2. Were any applications received by the Board for ADA-type benefits?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Prime Minister's and Privy Council offices and the Department of Forestry and Rural Development as follows: 1. Yes—the Prime Minister in Halifax, Nova Scotia, on May 30, 1968.

2. Yes.

RED CROSS REQUEST FOR AID FOR NIGERIA

Question No. 488—**Mr. Haidasz:**

Has the Government of Canada received a request from the International Red Cross to provide relief for the victims of the civil war in Nigeria and, if so (a) what was the nature of any such request (b) when was such request made (c) what was the response?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. Yes.

1 (a), (b) and (c). On May 28, 1968 an appeal was made by the International Committee of the Red Cross to the government of Canada through the Canadian Red Cross Society. The immediate response was a cash grant of $60,000 provided to the ICRC for relief work in areas of Nigeria where the need was greatest.

At a meeting July 12 with the Secretary of State for External Affairs, representatives of Canadian voluntary organizations, including the Canadian Red Cross, invited a Canadian government contribution to Nigerian relief and drew attention to the ICRC's need for transport aircraft. The Secretary of State for External Affairs indicated that the Canadian government would be prepared to consider a request from the Canadian Red Cross Society for an aircraft if the agreement of the parties concerned (the Nigerian government, the ICRC and the rebel authorities) could be obtained, and satisfactory arrangements made for its use. The Canadian government also, shortly thereafter, allocated $500,000 in food aid for distribution by the ICRC in the areas of greatest need in Nigeria.

In August, the ICRC developed a program involving agreed daylight flights into rebel held (Biafran) territory. The government learned that the ICRC would, through the Canadian Red Cross Society, ask for Canadian Hercules aircraft to participate. As agreement was not reached with both sides in the conflict, the daylight airlift was not possible and the Canadian government was not able to accede to this request.

On September 17, another allocation of $500,000 was made for food to be distributed in the needy areas in Nigeria. On September 26, following a meeting between the Secretary of State for External Affairs and the national commissioner of the Canadian Red Cross Society, an offer of a Canadian armed forces Hercules aircraft was made to the ICRC for use in territory under the control of the Nigerian government. The aircraft in

question arrived in Lagos on October 14 and was put at the disposal of the ICRC.

Following discussions between the Secretary of State for External Affairs and the Commissioner for External Affairs of Nigeria, on October 8, in New York, agreement was reached by which the Nigerian government would allow Canadian armed forces aircraft to operate in Nigeria, including rebel held territory, for the purpose of transporting relief supplies on behalf of the ICRC. A Canadian armed forces Hercules scheduled for use between the island of Fernando Po (Equatorial Guinea) and rebel held territory received clearances from Equatorial Guinea on October 26 and was put at the disposal of the ICRC on arrival there on October 26.

OFFERS OF RELIEF BY CANADA FOR NIGERIA

Question No. 489—**Mr. Haidasz:**

1. What are the details of the arrangement between the International Red Cross and the Government of Nigeria with regard to relief offered by the Government of Canada, including the operation of Canadian aircraft?

2. Were any assurances given to the Government of Canada that relief will reach the people in Biafra-held territory?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. The food aid provided by the Canadian government for those affected by the Nigerian civil war is consigned to the Red Cross. No special arrangements have been necessary, as it is customary to consign relief to the Red Cross in these circumstances.

Use of Canadian armed forces aircraft by the Red Cross for the transport of relief supplies to all parts of Nigeria, including rebel held territory, is governed by an understanding among the Red Cross, the Nigerian government and the Canadian government whereby Canadian aircraft may operate in Red Cross relief operations. The Canadian government contributes aircraft and crews to the aircraft, which is under the operational direction of the Red Cross.

2. All Canadian government relief assistance to Nigeria is consigned to the Red Cross for distribution to areas in which they consider the need is greatest, including the rebel held territory. At the request of the Red Cross a proportion of the Canadian government's food assistance has been shipped to Fernando Po for airlifting into the rebel held areas by aircraft under Red Cross auspices and for distribution in these areas by the Red Cross.

[Mr. Sharp.]

MICROWAVE RADIATION LEVELS

Question No. 500—**Mr. Schreyer:**

1. What is the source of the radiation guide numbers or levels being enforced by D.O.T. as part of its responsibility for the licensing of microwave relay towers?

2. For how long have these radiation guide numbers been accepted as the standard for safety by D.O.T.?

3. Has D.O.T., as part of its responsibility for licensing, done any systematic study of how the threshold of danger from microwave radiation changes with humidity, air temperature, the frequency of irradiation, the cumulative effect of exposure over long periods of time?

Hon. Eric W. Kierans (Postmaster General): In so far as telecommunication is concerned.

1. The power level of the microwave radiation is controlled by the appropriate standard radio system plans (these are regulatory documents issued under the authority of the Postmaster General). These levels are determined by the following criteria: (a) The minimum antenna directivity pattern; gain versus angle; (b) The maximum transmitter power permitted.

2. The first standard radio system plan was released in 1963 and at present most microwave bands are now covered by one of these documents. These documents are not safety standards, but are established for the purpose of controlling radio interference.

3. No.

AERIAL PHOTOGRAPHY AT MICROWAVE RELAY TOWERS

Question No. 501—**Mr. Schreyer:**

1. Has the federal Department of Agriculture or any other federal department or agency ordered infra-red process aerial photography to be made of areas that are in near proximity to microwave relay towers and, if so, at what locations was such photography done?

2. Is any federal department or agency now in possession of such photographs and what interpretation has been made to date of such photographs?

Hon. H. A. Olson (Minister of Agriculture): 1. Yes. The area between the Gunton and Stony Mountain microwave towers was photographed from the air in the near infrared spectrum of from about 700 to 900 millimicrons.

2. Yes. Tonal differences observed in these photographs reflect variation in crop growth and conditions in accordance with water table

patterns, time of planting, crop differences and variety differences. There is not a linear pattern or other organized pattern which would show a zone of immaturity or of more rapid growth, or a physical change in general, in line with the microwave towers. Further, the forest and woodlot areas do not show a pattern of change through the area.

NEAR ACCIDENT, TORONTO AIRPORT

Question No. 516—**Mr. Robinson:**

What steps are being taken and/or are proposed to prevent the recurrence of the incident of August 22, 1968, when an airliner narrowly missed striking an apartment building in Toronto?

Hon. Paul Hellyer (Minister of Transport): The incident which reportedly occurred at Toronto international airport on August 22, 1968 was investigated but factual evidence has not been found to substantiate the claim that the aircraft had in fact descended below the normal descent path.

*AIRPORT CONSTRUCTION, MONTMAGNY, QUE.

Question No. 559—**Mr. Lambert (Bellechasse):**

Has the Department of Transport received representations from the Montmagny Town Council requesting the construction of an airport at Montmagny and, if so (a) on what date (b) has a study of this matter been made by the Department of Transport?

Hon. Paul Hellyer (Minister of Transport): The reply is as follows: (a) The town of Montmagny has forwarded an application for local airport assistance. (b) The application was received on August 10, 1966. (c) An economic and engineering study has been undertaken by the Department with respect to improving the existing runway, together with constructing a 1,500 foot extension.

CRIMINAL CONVICTIONS

Question No. 571—**Mr. Robinson:**

1. How many Canadians have had a single criminal conviction for an indictable offence for more than five years?

2. How many Canadians have had a criminal conviction for a summary offence for more than five years?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Dominion Bureau of Statistics and the Department of the Solicitor General as follows: 1 and 2. Information not available.

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CONVICTIONS FOR IMPAIRED AND DRUNKEN DRIVING

Question No. 572—**Mr. Robinson:**

1. How many men in Canada have 1, 2, 3, 4, 5, or more convictions for impaired driving?

2. How many women in Canada have 1, 2, 3, 4, 5, or more convictions for impaired driving?

3. How many men in Canada have 1, 2, 3, 4, 5, or more convictions for drunk driving?

4. How many women in Canada have 1, 2, 3, 4, 5, or more convictions for drunk driving?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Dominion Bureau of Statistics and the Department of the Solicitor General as follows: 1, 2, 3 and 4. Information not available.

MEDICAL EXAMINATION OF IMMIGRANTS, LONDON

Question No. 590—**Mr. Paproski:**

1. Has the Minister of Manpower and Immigration received complaints about the manner in which medical examinations of prospective immigrants are conducted in Canadian Immigration Offices in London, England?

2. Are female applicants compelled to await examination in nude or semi-nude condition?

3. Are x-ray examinations of semi-nude female applicants conducted in the presence of any personnel other than doctors?

4. Is there any reason why female applicants are not supplied with the customary gowns normally used in medical examinations?

Hon. John C. Munro (Minister of National Health and Welfare): 1. The Department of National Health and Welfare is aware of one complaint only concerning the manner in which medical examinations of prospective immigrants are conducted in London, England. The Department of National Health and Welfare is anxious to learn of such complaints so that appropriate corrective action can be taken.

2. No.

3. No.

4. Female applicants are supplied with disposable paper chest covers when undergoing X-ray examination.

SKI FACILITIES, CAPE BRETON HIGHLANDS PARK

Question No. 597—**Mr. Muir (Cape Breton-The Sydneys):**

1. On what date was the initial decision made to provide skiing facilities at the Cape Breton Highlands National Park, what was the basis for the decision, who carried out the enquiry into the possibility of providing such facilities and

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what was the location selected in the Park for the establishment of these facilities and on what date was the decision reached?

2. (a) How does the present decision to provide ski facilities at the Cape Breton Highlands National Park vary from the former decision for the providing of these facilities and why have changes been made in the initial proposal (b) what changes were made?

3. What would have been the estimated cost of providing ski facilities at the Cape Breton Highlands National Park with the initial proposal and what is the estimated financial involvement of the federal government with the present program?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. Since 1958, there has been constant pressure from the Sydney Board of Trade, the Cape Breton Ski Club, numerous private individuals, and members of parliament, to have this department undertake ski development in Cape Breton Highlands national park. Investigations by departmental officials in 1961 and in 1966 indicated that the best potential location within the park for a ski development was South Mountain. Their surveys merely confirmed the technical suitability of the area for skiing and were not comprehensive studies of development feasibility. The decision to invite development proposals was made in June 1968, and was based on the report of a private consulting firm which examined the feasibility of a ski area in the park last year. The location selected for the establishment of these facilities, recommended by departmental officials and the consulting firm, was the northern face of South Mountain.

2. (a) Originally it was planned to provide only basic facilities such as an access road, parking area, a rope tow and a warming hut. However as a result of the consultants' report on the development potential of the area, the demand for skiing facilities, and economic feasibility, it was apparent that a more comprehensive development could be considered. (b) In general, the changes concern the extent of development. The present call for tenders provides for more extensive development of the site in two stages. The first phase of development will include a day lodge with cafeteria facilities and a ski shop, a 2,200 foot T-Bar lift, a 5-run trail and slope system, and parking for 125 cars. Additional ski runs and facilities will be provided at a later date as the demand and profit warrant.

3. The earlier work on planning ski facilities at Cape Breton Highlands national park was concerned with selecting a possible site with very modest facilities. This plan was not developed to the point of costing. With the present program, the estimated financial involvement of the federal government is $13,000 for an access road and parking facilities. The balance of the costs of development will be borne by the successful tenderer for the ski facilities.

[Mr. Muir (Cape Breton-The Sydneys).]

TASK FORCE STUDYING AIR CANADA

Question No. 638—**Mr. Fortin:**

1. Who are the members of the task force studying Air Canada?

2. When was this task force set up and what are its terms of reference?

3. When will this task force submit its report and will such report be tabled in the House?

Hon. Paul Hellyer (Minister of Transport): 1. No special task force has been established to study Air Canada, although the government, internally, has under review the corporate structure and financial requirements of this crown corporation.

2. Not applicable.

3. Not applicable.

EXECUTIVE CONSULTANTS LTD.

Question No. 640—**Mr. Coates:**

1. Has the task force on housing retained the services of Executive Consultants Ltd. or William Lee or William Neville in any capacity in association with its present work?

2. If so, what financial arrangement has been negotiated for these services and what is the estimated cost to the federal Treasury?

3. Have telephone enquiries been received at the offices of the Prime Minister and the Minister of Transport as to the present location and other information related thereto of William Lee and/or William Neville, officers of Executive Consultants Ltd. and, if so, what information has been made available to the callers on these requests?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): 1 and 2. I am informed by the Minister of Transport that Mr. William Neville has been retained under contract for a maximum of 20 days per month at a per diem rate of $100 to act as secretary to the task force on housing and urban affairs until the completion of the task force study early in the new year.

3. I am informed that such telephone inquiries would have been referred by the office of the Prime Minister to the information service of the Bell Telephone Company of Canada. Telephone calls asking for William M. Lee, as former executive assistant to the Minister of Transport, have come in at his former office, and a forwarding address and telephone number have been supplied.

PROPOSED MOVE OF STATION CKVR-TV

Question No. 644—**Mr. Forrestall:**

1. On what date was the first application received by government for the transfer of C.K.V.R.-T.V. from Barrie to the Toronto area?

2. On what date was technical consideration and approval given this application by the Department of Transport?

3. On what date was it referred to the Board of Broadcasting Governors for consent?

4. On what date was it approved or otherwise?

5. On what date did the Honourable J. W. Pickersgill resign as Minister of Transport?

6. On what date was the Honourable Paul Hellyer first sworn in as the Minister of Transport?

7. Under regulations governing broadcasting in Canada, what radio and television broadcasting outlets were listed as being in whole or in part owned by Mr. Stirling as of April 31, 1967, and the present time?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): 1. First application was received by the Department of Transport May 31, 1966. Second application March 7, 1967.

2. The first application was found technically acceptable for reference to the Board of Broadcast Governors on October 13, 1966. The second application was found technically acceptable for reference to the Board on May 17, 1967.

3. The first application was referred to the Board of Broadcast Governors on October 13, 1966. The second application was referred to the Board of Broadcast Governors on May 17, 1967.

4. The Board of Broadcast Governors in its announcement of November 24, 1966, recommended the first application for denial and the applicant was notified of ministerial concurrence on this recommendation on January 4, 1967. The Board of Broadcast Governors in its announcement of June 29, 1967 recommended the second application for approval. The recommendation was not approved by the then Minister of Transport, the Hon. J. W. Pickersgill, and was referred back to the Board of Broadcast Governors on September 6, 1967 as part of an overall review of television channel allocation in southern Ontario. Subsequently the Canadian Radio and Television Commission in its announcement dated October 3, 1968 stated among other things as follows: "Channel 3 to continue to be used in its present location in order to maintain local service in the Barrie area".

5. The Hon. J. W. Pickersgill resigned as Minister of Transport effective September 19, 1967.

6. The Hon. Paul T. Hellyer was sworn in as the Minister of Transport September 19, 1967.

7.

April 30, 1967	Present time
CKGM, Montreal, P.Q.	CKGM, Montreal, P.Q.
CKGM-FM, Montreal, P.Q.	CKGM-FM, Montreal, P.Q.
CKWW, Windsor, Ont.	CKWW, Windsor, Ont.
	CKWW-FM, Windsor, Ont.
CJON, St. John's Nfld.	CJON, St. John's, Nfld.
CJCN, Grand Falls, Nfld.	CJCN, Grand Falls, Nfld.
CJOX, Grand Bank, Nfld.	CJOX, Grand Bank, Nfld.
CJON-TV, St. John's, Nfld.	CJON-TV, St. John's, Nfld.
CJON-TV-1, Corner Brook, Nfld.	CJON-TV-1, Corner Brook, Nfld.
CJON-TV-2, Bonavista, Nfld.	CJON-TV-2, Bonavista, Nfld.
CJCN-TV, Grand Falls, Nfld.	CJCN-TV, Grand Falls, Nfld.
	CJCN-TV-1, St. Albans, Nfld.
CJOX-TV, Argentia, Nfld.	CJOX-TV, Argentia, Nfld.
CJOX-TV-1, Grand Bank, Nfld.	CJOX-TV-1, Grand Bank, Nfld.
	CJOX-TV-2, Argentia, Nfld.
CKVR-TV, Barrie, Ont.	CKVR-TV, Barrie, Ont.
CKVR-TV-1, Parry Sound, Ont.	CKVR-TV-1, Parry Sound, Ont.
CKVR-TV-2, Huntsville, Ont.	CKVR-TV-2, Huntsville, Ont.
CKVR-TV-3, Haliburton, Ont.	CKVR-TV-3, Haliburton, Ont.

Questions

*QUEBEC—COMPENSATION FOR 1967 JUTE CROP

Question No. 651—**Mr. Matte:**

Has a decision regarding the request by the C.F.U. and Quebec authorities for compensation of $10.00 per acre of jute harvested during 1967 been made and, if not, on what date will such announcement be made?

Mr. Florian Côté (Parliamentary Secretary to Minister of Agriculture): I am advised that no request for such assistance was received by this department.

STUDY OF "CANADA NORTH DEVELOPMENT CORRIDOR"

Question No. 654—**Mr. Forrestall:**

1. Has the Department of Transport undertaken any study of, or study as a result of, a proposal entitled "Canada North Development Corridor" prepared by H. G. Acres Research and Planning Ltd.?

2. If so, what is the nature of such studies, and what conclusions, if any, have been reached?

Hon. Paul Hellyer (Minister of Transport): 1 and 2. The report has been examined but no further studies have been undertaken as a result.

AIRPORT CONSTRUCTION, EASTERN TOWNSHIPS

Question No. 668—**Mr. Beaudoin:**

Has the Department of Transport considered studying or begun to study the possibility of building the new international airport in the huge natural basin which lies between Drummondville and St. Hyacinthe in the Eastern Townships?

Hon. Paul Hellyer (Minister of Transport): The location of the new airport is subject to many complex and interrelated criteria. A large region, including the Drummondville-St. Hyacinthe area was carefully examined on the basis of these criteria. More than 20 possible sites were identified and five or six were judged to be most favourable.

This analysis is now the subject of discussion with the province of Quebec.

UNEMPLOYMENT INSURANCE CONTRIBUTIONS

Question No. 670—**Mr. Clermont:**

What was the total amount of unemployment insurance contributions collected in each province in 1967?

[*Translation*]

Hon. Bryce Mackasey (Minister of Labour): The Unemployment Insurance Commission advises: Statistics of unemployment insurance contributions paid in each province are not kept. The reason for this is, that in most cases, large companies pay their contributions from a central point. In many cases, contributions paid by these companies cover most if not all provinces. It is therefore impossible to determine which contributions are payable on behalf of residents of each province.

However, during the fiscal year 1967-68, the total contributions paid by employer-employee amounted to $347,457,716. In addition, the government paid into the Fund, $69,491,543. The Commission collected $187,798 in penalties and $15,894,160 in interest on investments for a total revenue of $433,031,218.

[*English*]

LAND FOR EXPANSION OF TORONTO AIRPORT

Question No. 671—**Mr. Robinson:**

1. Has the federal government considered implementing expropriation proceedings to acquire additional land to increase the present size of the Toronto International Airport and, if so, how many acres are to be expropriated (a) immediately (b) by 1970 (c) by 1975 (d) by 1980 (e) by 1985?

2. Have any of the required lands already been acquired and how many acres are involved?

3. Are any agreements pending with regard to the acquiring of additional acreage and how many acres are involved?

Hon. Paul Hellyer (Minister of Transport): 1. There has been no decision as yet on acquisition of additional land for expansion of Toronto international airport.

2 and 3. N/A.

CLOSING OF POST OFFICES, NEWFOUNDLAND

Question No. 674—**Mr. Carter:**

Does the government intend to close any post offices or semi-staffed post offices in Newfoundland and, if so, how many and what are their locations?

Hon. Eric W. Kierans (Postmaster General): Yes. Three, namely Angels Cove, Cuslett and North Boat Harbour.

Note: The question of closing other post offices, within the criteria established, is being studied, but no decisions have yet been reached.

PRESS RELEASES, DEPARTMENT OF SOLICITOR GENERAL

Question No. 690—**Mr. Howard (Skeena):**

1. Does the Department of the Solicitor-General of Canada issue documents which are of the nature of press releases, press communiques, news releases or the like and, if so, how many such documents have been issued since July 1, 1968?

2. What has been the cost of (a) printing headings or cover sheets (b) typing the stencils (c) mimeographing or other form of duplicating (d) collating and stapling (e) addressing and mailing the said documents?

3. With respect to the paper used for the said documents what is (a) its quality (b) the quantity used and the cost thereof?

4. What is the estimate of the number of man hours consumed in the preparation, production, and distribution of such documents?

Hon. G. J. McIlraith (Solicitor General): 1. Yes; 560.

2. (a) $24.50; (b) Nil; (c) $13.58; (d) $12.15; (e) *$154.70.

*Includes for one press release during mail strike night letter telegrams at cost of $39.00.

3. (a) Wellington Offset, basic 140 M and Book Offset, basic 140 M; (b) 5,830 sheets; cost $25.26.

4. 313 (estimated).

MINE DUMP FIRE, SPRINGHILL, N.S.

Question No. 711—**Mr. Coates:**

1. Have officials of the federal government carried out an investigation into the pollution problems associated with the mine dump fire at Springhill, Nova Scotia?

2. If such an investigation has been carried out what were the results and are there dangers inherent in the pollution to the residents of the area?

3. If no such investigation has been carried out into this pollution problem does the government intend to carry out such an investigation to determine the health hazard associated with this pollution problem?

Hon. John C. Munro (Minister of National Health and Welfare): 1. Yes.

2. The investigation was conducted in August, 1968. There was no evidence of a health hazard in the vicinity of the dump. However, as smoke dispersion is usually favourable during the summer, further testing will be conducted in late autumn or winter. Discussions with officials of the province of Nova Scotia concerning the organizational aspects of this investigation are in progress.

3. See answer in 2 above.

INDIAN RESERVE COMMUNITY PASTURES, SASKATCHEWAN

Question No. 750—**Mr. Burton:**

With respect to the community pasture projects now under development on the Muskowekwan and Gordon Indian Reserves, who will be responsible for the management and operation of the pastures once they are completed?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): The prairie farm rehabilitation administration of the Department of Forestry and Rural Development.

CONSTRUCTION OF RETAINING WALLS, ST. LAWRENCE RIVER

Question No. 767—**Mr. Matte:**

Does the federal government pay all or part of the costs involved in the construction of retaining walls required because of dredging or navigation on the St. Lawrence River and, if so, (a) in what proportion (b) under what circumstances?

Hon. Arthur Laing (Minister of Public Works): The Federal Government under current practice may pay up to 100 per cent of the cost of remedial or protection works in cases where more than one-half of the erosion is considered to be due to navigation or the presence of Federal Government structures and where the value of the land to be protected is more than double the cost of providing protection. Where erosion is due mostly to natural causes, a lesser responsibility may be accepted but only in proportion to the extent that it is caused by navigation.

QUESTION PASSED AS ORDER FOR RETURN

WINTER WORKS PROGRAM, TORONTO

Question No. 527—**Mr. Robinson:**

1. What amount was expended under the Winter Works Program for the City of Toronto and for each of the Boroughs of Metropolitan Toronto each year since the program was instituted?

2. What projects were carried out by these municipalities and how much was paid under the Winter Works program for each project?

3. What projects, if any, have been curtailed as a result of the cancellation of the Winter Works Program?

Return tabled.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask again when I can expect an answer to question No. 4, which has been on the order paper since September 12, a period of more than two months? If the delay is in the hope that the pensions referred to might be increased before an answer is given, I would not mind waiting a little longer. There must be some reason for the delay. What is the reason?

[*Translation*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I rise on a question of privilege with regard to question No. 43.

Questions

The Secretary of State (Mr. Pelletier) is not in the house but I wish to point out that this question is only a repetition of two questions already asked; the only thing is that more recent information is requested.

I feel that an answer could have been given at least six weeks ago.

[*English*]

Right Hon. J. G. Diefenbaker (Prince Albert): I wish to refer to a starred question because of the habit of this government not to give an answer within two or three days. I refer to question No. 761 with regard to protests from the mayor and other citizens of Rock Island, Quebec, protesting the construction of a new post office on the ground that it is not needed and would constitute an unnecessary expenditure. In these days of financial crisis it is quite wonderful for people in any part of this country not to be asking for things, and I would think an answer to this question would serve as an inspiration to some who may desire extra expenditures.

Hon. Eric W. Kierans (Postmaster General): The right hon. gentleman's question was placed on the order paper on November 14 and I was not aware of it. However, I believe I can answer it if he will withdraw it as a starred question. The situation in Rock Island results simply from a difference of opinion between two groups. One group prefers a modern, up to date post office which can furnish the postmen and the sorters with modern facilities and services in their work. It is the duty of the Post Office to provide facilities of this kind for its employees.

• (2:50 p.m.)

On the other hand there is a group who quite naturally feel that the age of the building itself is an asset, that it carries with it certain relations with the past, with the traditions of the area; but of course they are not the ones who are working in it, and I think the Post Office Department is going to go ahead with its decision to provide up to date, modern facilities for all those who work for us.

Mr. Diefenbaker: Mr. Speaker, that still does not answer the question as to what will be the expected cost of this building and the purchase of property in order to make a new post office possible. Is it not a fact, as asked in the question, that the mayor on behalf of the area says it is an unnecessary expenditure and should not be proceeded with?

[Mr. Lambert (Edmonton West).]

Mr. Speaker: Order, please. There should not be a debate at this time. If the minister wants to give the information requested he should answer the question, but there should be no debate.

Mr. Kierans: Mayors, Mr. Speaker, have elections to win too.

Some hon. Members: Oh, oh.

Mr. Kierans: So far as the last part of the question is concerned, it should not be addressed to me but to my colleague the Minister of Public Works.

Mr. Diefenbaker: Mr. Speaker, that being so can the question remain on the order paper so the other hon. gentleman can give the answer?

Mr. Speaker: Shall the remaining questions stand?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, if I am not mistaken I believe the parliamentary secretary to the Minister of Finance was anxious to answer my question.

Mr. H. E. Gray (Parliamentary Secretary to Minister of Finance): If I may be permitted, Mr. Speaker, I just want to inform the hon. member that this is a question requiring quite a bit of detailed information. It is true that some of this was put forward in answer to previous questions of a similar nature by the hon. member, but there is additional information involved which requires quite a bit of work to put it in the form necessary to give a complete answer. I will try to check into this and see that it is hurried along as much as possible.

[*Translation*]

MOTIONS FOR PAPERS

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notices of motions Nos. 33 and 34 are agreeable to the government.

Would Your Honour be good enough to call notices of motions Nos. 29 and 32?

I ask, Mr. Speaker, that notice of motion No. 4 be allowed to stand.

[*English*]

DISCONTINUANCE OF RAIL PASSENGER SERVICE, NEWFOUNDLAND

Motion No. 29—**Mr. Peddle:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before the House a copy of the application of C.N.R. to the Canadian Transport Commission to

discontinue rail passenger service in Newfoundland and a copy of the statement of costs and revenues during "Prescribed Accounting Years" which accompanied this application.

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, there is no objection whatever to producing a copy of the application of the C.N.R. to discontinue the Newfoundland rail service. However, under the law as it presently reads, the cost figures which the hon. member has also asked to have produced "shall not be published or revealed in such a manner as to be available for the use of any other person, unless in the opinion of the commission such publication is necessary in the public interest." The commission has not made any decision that the publication is necessary in the public interest.

I am informed, however, that the material which the hon. member has asked for was supplied to him inadvertently as the result of a telephone request which he made to an official of the commission.

Some hon. Members: Oh, oh.

Mr. Hellyer: Since he now has the information, and it is already in that sense made public, and since the hon. member is himself in a position to reveal it if he wishes, there is obviously no point in the government taking the position of refusing to produce it. Consequently I propose to table it voluntarily and would ask the hon. member if he would, in the circumstances, agree to withdraw his motion.

Mr. Ambrose Hubert Peddle (Grand Falls-White Bay-Labrador): Mr. Speaker, it has served its usefulness for me and the minister can have it back.

Some hon. Members: Hear, hear.

Mr. Speaker: Dropped.

FEDERAL ADVISORY BODIES

Motion No. 32—**Mr. Knowles (Winnipeg North Centre):**

That an Order of the House do issue for a return listing all advisory committees, advisory councils or advisory bodies appointed by the federal government under the provisions of any statute, and showing also (a) the number of times each such committee, council or body is required to meet each year, and (b) the number of times each such committee, council or body has met in each of the last three years for which records are available.

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, as hon. members will notice this motion is wanting in precision. It would appear to require the production of this particular information for all such advisory bodies right back to the beginning of federal government in Canada. The motion would be acceptable to the government if it would be understood that it refers only to advisory committees, advisory Councils and advisory bodies currently in operation.

Mr. Stanley Knowles (Winnipeg North Centre): That is quite satisfactory; that is what I meant.

Mr. Macdonald (Rosedale): Why didn't you say so?

Mr. Speaker: Subject to the reservations and conditions expressed by the minister is it the pleasure of the house that motion No. 32 be deemed to have been adopted?

Some hon. Members: Agreed.

Motion agreed to.

FRED AGREEMENT BETWEEN FEDERAL AND QUEBEC GOVERNMENTS

Motion No. 33—**Mr. Coates:**

That an Order of the House do issue for a copy of the FRED Agreement between the Government of the Province of Quebec and the federal government.

Motion agreed to.

FRED AGREEMENT BETWEEN FEDERAL AND NEW BRUNSWICK GOVERNMENTS

Motion No. 34—**Mr. Coates:**

That an Order of the House do issue for a copy of the FRED Agreement between the Government of the Province of New Brunswick and the federal government?

Motion agreed to.

FINANCE

ATTENDANCE AT BONN MEETING OF MINISTER AND BANK GOVERNOR

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Prime Minister relating to finance. In view of its importance I assume he is fully familiar with the situation involved. Is there anything he would like to tell the house in connection with the flying visit to Bonn by the Minister of Finance and the governor of the Bank of Canada, and with regard to whether this relates to the current

exchange crisis? If so, would he indicate whether Canada is taking any particular initiative with regard to this crisis or whether the minister and the governor of the bank were simply responding to an invitation to go to Bonn.

Right Hon. P.-E. Trudeau (Prime Minister): The position is that the minister did respond to an invitation, as the Leader of the Opposition puts it. He flew over to Bonn with the governor of the Bank of Canada and some other officials. The meetings are going on. There is no particular position which Canada has been instructed to take at those meetings.

Mr. G. W. Baldwin (Peace River): Can the right hon. gentleman indicate whether the minister has been asked for or will be tendering advice to the government of West Germany with regard to balancing its budget?

Mr. Trudeau: Mr. Speaker, I believe you did not hear that question and therefore did not rule it out of order. I would say that in that sense we are not intervening in the affairs of West Germany. It is a problem that that government will decide itself. Perhaps this is just as irrelevant as the question, but I should like to say that the Canadian dollar is in a very strong position.

HOUSING

REPORT OF TASK FORCE AND SUBSEQUENT LEGISLATION

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I should like to ask the Minister of Transport in his capacity as minister in charge of housing, since the task force operations are about concluded, when he expects to present the report and subsequent legislation to the house.

Hon. Paul Hellyer (Minister of Transport): I am still hopeful that the report will be ready about mid January. We have one more week of hearings outside Ottawa and then two weeks of hearings, both public and private, in Ottawa following which we intend to write the report with the anticipation that it should be ready about mid January. Concurrently I hope to present to the government some recommendations which could be dealt with in the new year with the hope that legislation would be ready for consideration by the house some time in the new year, which would permit any impact it might have to be felt on next year's construction program.

[Mr. Stanfield.]

Mr. Lewis: In the meantime would the minister inform the house whether his suspension of the financing of studies having to do with urban redevelopment is permanent or temporary and, if temporary, for how long. Could he also inform the house whether this means that some studies which were actually in progress have been cut off.

Mr. Hellyer: It does not affect the studies which are in progress. It was merely a suspension for a few weeks of the commencement of new studies. To answer my hon. friend's question concerning how long this freeze, as it has been called, will be in effect I can only suggest I would hope the government would be in a position to look at the information and reach a decision very early in the new year, well in advance of the requirements relating to any program for next year's building construction.

I think the reasons for this are apparent, but perhaps I might just briefly recapitulate them. In our studies we have found that the traditional method used in urban renewal, of taking a large area, razing the whole area and rebuilding the whole thing, while it may be appropriate in certain circumstances where the land use is to be changed, in other circumstances may not be the least bit appropriate. In some cases we have been razing perfectly habitable houses and other houses—

Mr. Speaker: Order, please. I do not think the minister should make a general statement at this time.

Mr. Lewis: Mr. Speaker, in view of the minister's last answer will he tell the house why it was necessary to suspend the financing of these studies instead of merely redirecting the purpose?

Mr. Hellyer: Mr. Speaker, unless some new guide lines were given to the people doing the studies I suspect they might come up with the same kind of solutions which the task force feels may not be adequate, and which we also feel could perhaps be considerably improved upon. It is therefore felt that we should determine the guide lines before any studies can continue.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, in view of the current newspaper advertising campaign by Central Mortgage and Housing Corporation, does the minister intend to make more moneys available to the corporation for these purposes before the task force reports?

Mr. Hellyer: Mr. Speaker, my hon. friend will realize that just a few weeks ago we did make additional moneys available in order to increase the number of houses started this year before the freeze-up. I think this was a very important move on the part of the government, because every additional house that is built takes pressure off the market and helps to alleviate the pressure of increasing loans and so on. In so far as next year's program is concerned, this is now being screened by the government and will be announced as soon as a decision has been taken.

Mr. McCleave: Mr. Speaker, I was asking the minister about more money being made available between now and mid-January when this task force will report.

Mr. Hellyer: We have sufficient money for all the things currently required, Mr. Speaker, so I do not think the need for additional funds will represent a problem between now and January.

[*Translation*]

DOMINION-PROVINCIAL RELATIONS

POSSIBLE FURTHER ACTION AS TO STATUS OF LABRADOR

On the orders of the day:

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, my question is directed to the right hon. Prime Minister.

Does he not think that the time has come to make an official statement on the present litigation concerning Labrador ownership? Is the 1927 decision of the judicial committee of the privy council concerning Labrador ownership now under consideration, or is it considered as final?

Could the right hon. Prime Minister tell us—

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I do not think the question is very urgent.

Mr. Speaker: Order. The hon. member asks whether the government intends to make a statement on this matter and I think the question is relevant.

Mr. Trudeau: The answer is no, Mr. Speaker.

[*English*]

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I should like to ask the Prime Minister whether he is aware that the then minister of justice clarified the situation in respect of Labrador when he appeared before the mines committee several years ago, so there is no problem whatsoever.

Mr. Speaker: Order, please.

[*Translation*]

LABOUR CONDITIONS

QUEBEC—LEGISLATION TO MEET UNEMPLOYMENT SITUATION

On the orders of the day:

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I wish to direct a question to the Minister of Manpower and Immigration.

Since the government has decided to abandon the winter works program, which has considerably increased unemployment in Canada, especially in Quebec, could the hon. minister tell the house whether the government intends to introduce a bill, as soon as possible, to correct this alarming situation?

[*English*]

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, it is not the intention of the government to introduce legislation of this kind at this point. We have expanded our training funds in Quebec and elsewhere, and we believe this will make a better contribution to the problem of unemployment than was made last winter by the winter works program.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to put a supplementary question to the minister. Since the retraining program, even if it was expanded, does not affect certain classes of older people who could take advantage of winter works, could the minister tell us whether he intends to introduce a measure enabling those older persons, let us say from 55 to 65 years of age, to receive some income this winter?

[*English*]

Mr. MacEachen: Mr. Speaker, where it is to the advantage of the person and the economy that training or retraining take place, it is provided.

Hon. Robert L. Stanfield (Leader of the Opposition): A supplementary question, Mr. Speaker. Would the minister not agree that the rate of unemployment in the province of Quebec is reaching unacceptable proportions and perhaps requires supplementary measures in addition to those he has proposed?

Inquiries of the Ministry

Mr. Speaker: Order, please. The question as asked is certainly argumentative.

TRADE

INCREASE IN U.S. DUTY ON CUT FLOWERS

On the orders of the day:

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I should like, if I may, to direct a question to the Minister of Agriculture. In view of the minister's statement in Toronto regarding recent government action to stabilize corn prices, that an application for duty cannot be a unilateral action and thus compensation was granted to the United States, can the minister now state what compensation was granted to Canada when the United States tariff on Canadian cut flowers entering that country was almost doubled recently?

Mr. Speaker: Order, please. The hon. member is asking about action taken by the government some time ago, and I think that kind of question should be on the order paper.

HEALTH AND WELFARE

INQUIRY AS TO REGULATION OF CIGARETTE ADVERTISING

On the orders of the day:

Mr. Barry Mather (Surrey): Mr. Speaker, I have a question I wanted to ask the Minister of National Health and Welfare, having in mind the excellent and serious statement issued by the minister earlier today warning cigarette smokers of Canada of the health hazards involved. My question is, would the minister consider early action to try to encourage, either by voluntary action by the industry or by legislation, curtailment of the promotion of cigarette smoking through advertising in Canada?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, questions of this nature have been under consideration by the department and the government for some time.

Mr. Knowles (Winnipeg North Centre): Has the minister paid attention to them?

Mr. W. M. Howe (Wellington-Grey): Mr. Speaker, a supplementary question to the Minister of National Health and Welfare. I have asked this question before and the minister has taken it under consideration. Would he put this whole question of cigarettes and cigarette smoking before a committee of this house so a thorough survey and study can be made of the entire question?

[Mr. Stanfield.]

Mr. Munro: Mr. Speaker, I have noted the hon. member's representations. The matter is still under consideration.

ADMINISTRATION OF JUSTICE

DEPARTMENTAL POLICY RESPECTING SENTENCES IN MARIJUANA CASES

On the orders of the day:

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Minister of Justice. I would like to ask the minister whether there has been any change in the policy of the government, as stated by the previous minister on February 16, 1968, that counsel in the department would in drug prosecutions thenceforth ordinarily suggest jail terms for those without criminal records convicted of possession of marijuana.

Hon. John N. Turner (Minister of Justice): No, sir.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a supplementary question for the Minister of National Health and Welfare. Arising from the minister's Calgary speech in which he said, "Nor does it seem to me that giving criminal records to several thousand"—

Mr. Speaker: Order, please. The hon. member has to put the question directly as much as possible.

Mr. Ritchie: Will the minister say whether, in so far as the responsibility of his department is concerned, the policy of the Department of Justice in regard to sentencing represents the approach taken by the Department of National Health and Welfare?

DOMINION-PROVINCIAL RELATIONS

CONSULTATION WITH PROVINCES RESPECTING TRADE, TARIFFS, ETC.

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is to the Prime Minister. I wonder whether at the forthcoming dominion-provincial conference it is intended to discuss with the provinces the establishment of permanent bodies to consult with the provincial governments on matters of trade, tariffs, customs and monetary policies, as was long advocated by the Prime Minister prior to his attaining ministerial rank.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, at this conference it is not proposed that we discuss these matters. As

has long been practised by the government, however, there are constant meetings at all levels of government—both official and ministerial—to deal with various aspects of policy which concern the whole of Canada.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Ed Schreyer (Selkirk): Mr. Speaker, my question is to the Minister of Agriculture and arises from the statement made two days ago, when he said that many farmers were following half baked economic theories. I would like to ask the minister whether he had in mind certain theories with regard to money and banking which he held until 1968.

Mr. Speaker: Order, please. I regret that I have to deprive the minister of the opportunity to reply.

LABOUR CONDITIONS

WINDSOR—IMPENDING LAY-OFFS AT FORD COMPANY

On the orders of the day:

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In the light of the lay-offs which are scheduled to begin at the Ford Motor Company of Canada in Windsor on Friday, what action is the minister prepared to take to alleviate the serious unemployment which will result?

An hon. Member: See Paul Martin.

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, there will be a lay-off at the Ford Motor Company beginning on Friday and continuing until the number reaches 1,000 later in the year. The manpower services are available in Windsor at the present time and we are interviewing the workers to determine in what way we can be of best service to them. We are in touch with the company as well. It would have been very useful in this case, as in others, if the government had been given some early notice about the intentions of the Ford Motor Company, so that plans could have been made to make the necessary adjustments.

Mr. Lewis: Amend the law.

Mr. Knowles (Winnipeg North Centre): Send for Paul Martin.

Mr. H. E. Gray (Windsor West): Mr. Speaker, I have a supplementary question either to the Minister of Manpower and Immigration or the Minister of Labour. Can they assure the house that the processing of unemployment insurance and transitional benefit claims will be carried out as quickly as possible for the first group to be laid off this Friday?

[*Later:*]

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. In view of his comments about the desirability of the Ford Motor Company giving advance notice before it lays off employees, which it is about to do, is the government giving any consideration to introducing a bill which would make it mandatory for companies to give such advance notice both to the employees and to the government?

Mr. MacEachen: Mr. Speaker, about a year ago a similar unexpected lay-off took place in Sydney and my predecessor, the then minister of manpower and immigration, asked himself whether it might not be necessary to oblige companies by law to provide advance notice. I think this situation raises the same question. It brings to mind the recommendation on this point that has been made by the Economic Council of Canada.

Mr. R. Gordon L. Fairweather (Fundy-Royal): I have a supplementary question, Mr. Speaker. Does it not bring to mind the recommendation specifically made by Mr. Justice Freedman two years ago about such legislation being needed?

Mr. MacEachen: Mr. Speaker, it brings to mind that excellent report which was on a much broader basis than this particular question.

Mr. Fairweather: But the formula was suggested.

SHIPBUILDING

REQUEST FOR RESTORATION OF SUBSIDIES

On the orders of the day:

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to address my question to the Minister of Fisheries. In light of the lay-offs in the shipbuilding industry in the Atlantic provinces, is it the intention of the minister to make a public statement soon about the decision reached following discussions with provincial fisheries ministers regarding the amount of funds that will be made available to the provinces for shipbuilding subsidies?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, plans for assistance to the

fishery through construction of fishing vessels is under consideration; but I might point out to the hon. member that employment in shipyards is a matter for another minister.

GRAIN

PROVISION OF BOX CARS TO INCREASE DELIVERIES

On the orders of the day:

Mr. George Muir (Lisgar): Mr. Speaker, I had a question for the Minister of Industry, Trade and Commerce, but due to his absence and the absence of the Minister without Portfolio who acts for the wheat board perhaps the Minister of Agriculture could give me the answer. In view of the very critical situation on the prairies due to the large amount of tough and damp grain that is now piled on the ground, is the minister now in a position to report on the availability of box cars to take delivery of the 3 bushel quota announced by the wheat board on October 31 for such grain?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I do not have a report as of this morning, but my information is that the terminal elevators at Calgary and Edmonton are now operating on a 24 hour day, seven day week basis. However, the hon. member will realize that even though there has been a 3 bushel quota announced, this does not automatically provide the space in which to put those three bushels but is to give a priority to get this out of condition grain into the pipe line, if you like, ahead of grain that will keep longer.

Mr. Muir (Lisgar): A supplementary question, Mr. Speaker. I wonder whether the minister would use his good offices to get some box cars out to the prairies in order to move this grain to the elevator space that is available.

Mr. Olson: Mr. Speaker, the Minister of Industry, Trade and Commerce has replied to this question. The reply was that he has had excellent co-operation from the railways in having a fair and equal distribution of box cars through the area where this tough and damp grain is located.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, a supplementary question to the minister. Would he or the Minister of Industry, Trade and Commerce make a full statement to this house within a matter of days as to the results of their negotiations and discussions with the railways on the supply and allocation of box cars for grain movement?

Mr. Olson: I will convey that representation to the Minister of Industry, Trade and Commerce, Mr. Speaker.

SHIPPING

EXPERIMENTS WITH NEW ICEBREAKING EQUIPMENT

On the orders of the day:

Mr. Robert Simpson (Churchill): A supplementary question, Mr. Speaker, which I should like to direct to the Minister of Transport. With reference to the first Alexbow experiment on Arctic ice conditions and the report that no tonnage requirements were demanded for that experiment, can the minister tell the house why some 2,000 pounds of freight are demanded when a similar type of experiment is carried out, as planned, into Churchill?

Hon. Paul Hellyer (Minister of Transport): I think I will have to take that question as notice, Mr. Speaker. I would not want to give an off the cuff answer.

WATER RESOURCES

INQUIRY AS TO ACTION TO COMBAT POLLUTION

On the orders of the day:

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I should like to address a question to the Acting Minister of Energy, Mines and Resources. In view of the alarming statement by Dr. Gustav Prevost, a well known Quebec biologist, that all means of fighting water pollution have failed and that swift federal action must be taken at once to avert disaster, would the minister advise the house what steps the government is now taking?

Mr. Speaker: Order, please. I think a question of such a wide scope should be answered by way of a statement on motions, or preferably might be put on the order paper.

Mr. Rynard: I have a supplementary question, Mr. Speaker. I wonder if the question could be answered tomorrow on motions.

NATIONAL DEFENCE

NATO—CANADIAN COMMITMENT OF SHIPS FOR MEDITERRANEAN AREA

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, yesterday the Prime

Minister was asked a question regarding promises or undertakings by the Canadian delegation to the NATO council with particular reference to the demands of the Mediterranean area consequent to the expansion by the U.S.S.R. of its naval strength there. I wish to ask him specifically this question. Did Canada promise to contribute four helicopter equipped destroyers and two support ships for use in the Mediterranean?

Right Hon. P.-E. Trudeau (Prime Minister): Not specifically, Mr. Speaker. When the ships are built, and if our naval policy remains the same, the ships will come under the Atlantic command of NATO.

Mr. Diefenbaker: Are these six ships, the four helicopter equipped destroyers and the two support ships, still unbuilt? Does the Prime Minister say that?

Mr. Trudeau: I am referring to the four destroyers which were mentioned by the Minister of National Defence in Brussels, Mr. Speaker.

Mr. Diefenbaker: The question is not whether they were mentioned in Brussels; I want to find out whether these things have been mentioned in Ottawa. I ask the Prime Minister specifically whether these four helicopter equipped destroyers and two support ships are yet unbuilt, and whether the representatives of Canada undertook to supply them.

Mr. Trudeau: Mr. Speaker, I am trying to identify the ships which the right hon. member is referring to. If he is talking about the ones which were mentioned in Brussels, they are now being built on the St. Lawrence.

Mr. Diefenbaker: We cannot get any information on the promises made there.

CONSEQUENCES OF REMOVAL OF NUCLEAR WEAPONS FROM CANADA

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to ask the right hon. Prime Minister, in connection with the reassessment of the defence policy, whether the government has had a study prepared and presented concerning the consequences of the removal of nuclear weapons from Canadian soil.

Right Hon. P.-E. Trudeau (Prime Minister): No, Mr. Speaker.

[*Translation*]

EXTERNAL AID

REQUEST FOR INCREASED ASSISTANCE FOR FRENCH SPEAKING COUNTRIES

On the orders of the day:

Mr. Bernard Dumont (Frontenac): Mr. Speaker, I would like to direct a question to the right hon. Prime Minister if he is willing to give me his attention.

In view of the fact that, under the terms of the assistance program to underdeveloped countries $6 million have been made available to French speaking countries and $125 million to Commonwealth countries, does the government intend to improve its assistance policy to French speaking countries?

Mr. Speaker: The hon. member is asking the representative of the government to submit a general opinion or to make a statement of general policy, and this should be done on motions.

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

[*English*]

INDUSTRY

CAPE BRETON—PENSION AGE OF DEVELOPMENT CORPORATION EMPLOYEES

On the orders of the day:

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a question for the Minister of Forestry and Rural Development. I should like to ask him what statute provides the Cape Breton Development Corporation with the authority to pension off employees at the age of 60?

Mr. Speaker: Order, please. The hon. member is asking for the interpretation of a statute or for a legal opinion, and that type of question is out of order.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, on a point of order, my question did not ask for the interpretation of any statute. I ask again, is there a statute providing the Cape Breton Development Corporation with the authority to pension off its employees at the age of 60?

Mr. Speaker: Order. It is precisely that type of question which the rules do not permit to be asked.

Mr. Trudeau: Why don't you hire a lawyer?

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a further point of order which is brought on by the interjection

of the Prime Minister who suggested I hire a lawyer. I would think that in the interests of a just society the Prime Minister himself might volunteer his help to the Cape Breton miners.

Mr. Speaker: Order, please. We are running short of time, so I suggest we go on to another question.

FISHERIES

REQUEST FOR STATEMENT ON POSSIBLE ASSISTANCE

On the orders of the day:

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Minister of Fisheries. In view of the fact that he met recently with the provincial fisheries ministers, and bearing in mind the critical situation prevailing in the fishing industry in eastern Canada, would he not give consideration to making a statement on motions as soon as possible?

Hon. Jack Davis (Minister of Fisheries): I will consider it, Mr. Speaker.

POST OFFICE DEPARTMENT

REPLACEMENT OF SMALL OFFICES BY RURAL DELIVERY

On the orders of the day:

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I should like to direct a question to the Postmaster General. If any small post offices close, will the postal department institute a rural delivery to take its place?

Mr. Speaker: Order, please. The question as asked is hypothetical.

HOUSE OF COMMONS

ABSENCE FROM HOUSE OF MINES AND RESOURCES MINISTER

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I have a question for the Prime Minister. Has the Prime Minister any information on the whereabouts of the Minister of Energy, Mines and Resources and his failure to be here in his place today, in view of the fact that he was seen in the house last night looking tanned, healthy and well after his trip to South America?

Mr. Speaker: Order, please.

Right Hon. P.-E. Trudeau (Prime Minister): Yes, Mr. Speaker—

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

An hon. Member: The Prime Minister forgot who it is.

Another hon. Member: Who the hell is he?

Mr. Trudeau: I know who the hell he is, Mr. Speaker, and this is not funny because he is in hospital in Montreal.

Mr. Bell: I have a supplementary question, Mr. Speaker. I am sorry to hear that, but may I also ask the Prime Minister if he would take it easy with the Solicitor General when he gets back, because his attendance has really been very good on days when he should not have been here.

Mr. Speaker: Order, please.

CANADIAN NATIONAL RAILWAYS

APPLICATION FOR ABANDONMENT OF RAIL SERVICE IN P.E.I.

On the orders of the day:

Mr. Melvin McQuaid (Cardigan): My question is for the Minister of Transport. I should like to ask the minister whether the Canadian Transportation Commission has received an application from the Canadian National Railways for the abandonment of the rail service in Prince Edward Island.

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I would be glad to direct the question to the Canadian Transportation Commission, but it would seem to be the kind of question which might be answered just as quickly if it were placed on the order paper.

NATIONAL PARKS

MANITOBA—INQUIRY AS TO SECOND PARK

On the orders of the day:

Mr. Ed Schreyer (Selkirk): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development responsible for the national parks policy. Could the minister give some indication when the federal government will come to a decision as to the establishment of a second national park in Manitoba?

Mr. Speaker: Order, please. I suggest the question might be placed on the order paper.

YUKON QUARTZ MINING ACT

REQUEST FOR INTRODUCTION OF AMENDING BILL

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, I should like to direct my question to the

Minister of Indian Affairs and Northern Development and ask him whether the bill to amend the Yukon Quartz Mining Act has yet been printed. If so, when is it the government's intention to table it?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, the bill is being considered by the cabinet, and it should be tabled as soon as the study is completed. However, it is a very voluminous bill and its complete study by the cabinet will require some time yet. While I am on my feet—

[*English*]

I should like to inform the leader of the New Democratic party that perhaps he should read the papers sometimes. I have been Minister of Indian Affairs and Northern Development for the past five months now.

EXTERNAL AFFAIRS

GREECE—DEATH SENTENCE IMPOSED ON STUDENT

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, the rules do not permit me to comment on what the minister just said, though I should like to.

May I ask the Prime Minister the following question. On Monday my colleague the hon. member for Oshawa-Whitby asked the right hon. gentleman a question regarding an opponent of the present Greek military regime who had been condemned to death. He inquired whether the government was contemplating any démarche to the government of Greece on the subject, and the Prime Minister said he would have to inquire into the matter. I wonder whether he has any information today.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I did inquire, but I have not found any information that in my opinion would justify intervening in this matter.

• (3:20 p.m.)

SUPPLY

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

DEPARTMENT OF JUSTICE

1. Administration, including grants and contributions as detailed in the estimates, gratuities to the widows or such dependents as may be approved by Treasury Board of judges who die while in office, and authority to make recoverable advances for the administration of justice on behalf of the government of the Northwest Territories and the Yukon Territory, $5,892,200.

The Chairman: Order. House again in committee of supply, revised estimates of the Department of Justice, fiscal year ending March 31, 1969. Vote No. 1 will be found at page 254 of the blue book, the details thereof being listed at page 255.

Hon. John N. Turner (Minister of Justice): Mr. Chairman, I am not going to make a very long opening statement since there was a thorough discussion of a number of matters affecting the department when the amendment to the Judges Act was before the house. I anticipate that when the criminal law omnibus bill returns to the house there will be ample scope to review the criminal law.

Since the main estimates of the Department of Justice for 1967-68 were considered in some detail by the standing committee on justice and legal affairs, with the consequence that no extensive statement was made before the house, I think it would be in order for me to make a short general statement concerning this year's estimates of the department.

Hon. members will know that the Government Organization Act of 1966, which was proclaimed on October 1 of that year, transferred to other ministers various branches of the public service that previously fell under the superintendence of the Department of Justice. The result of these changes was that the Department of Justice now has the same responsibilities that it had under the original statute following confederation in 1868, and those duties now remain virtually unaltered.

As matters presently stand, Mr. Chairman, responsibility for the institution and conduct of prosecutions within the federal field of jurisdiction remains with the Attorney General of Canada. This is true even though the supervision of the Royal Canadian Mounted Police now rests with my colleague, the Solicitor General.

Notwithstanding this, Mr. Chairman, prosecutions resulting from police investigations within the federal jurisdiction continue to be the responsibility of the Attorney General of Canada, and are conducted by him through his officials and agents. This situation applies as well to prosecutions under the Combines Investigation Act. While ministerial functions relating to that act are now transferred to the Department of Consumer and Corporate Affairs and the Restrictive Trade Practices Commission reports directly to parliament

through that minister, the decision to prosecute and the conduct of a prosecution in any particular combine, merger, monopoly, restraint of trade or price fixing case continues to be the responsibility of the Attorney General.

So, Mr. Chairman, the Minister of Justice and Attorney General of Canada continues to be responsible for providing legal services to the government generally, as set out in the Department of Justice Act. In fact, the Attorney General is lawyer for every department of the government service. His functions are advisory. He is charged with conducting litigation on behalf of the people of Canada. He is charged with advising on the drafting of legislation for every government department, and so on.

This year's estimates show an increase in staff amounting to 72 additional positions and a proportionate increase in the amount provided for salaries. I would not want the committee to think that this increased number of 72 positions represents an equivalent increase in the over-all establishment of the government. It has been made clear that it is the intention of the government to provide an integrated legal service along the lines generally recommended in the Glassco report. That is to say, the Department of Justice will now be responsible in a general way for the legal functions that are carried on in every department of government, and to that end we are in the process of integrating the legal services of the government.

This policy, Mr. Chairman, is reflected in the fact that 27 of these new positions represent transfers from other departments—one from Industry, one from Finance, 14 from Defence Production and 11 from National Revenue, customs and excise. This in turn results in an equivalent reduction in the estimates of the other departments involved.

The balance of these positions, apart from some nine in the minister's office, which were not included in previous estimates as a result of former Treasury Board policy but now are included, result from support of the positions that have been transferred—nine secretarial positions have been established for this purpose—and increase in the strength of the department not only in Ottawa but in the regional offices that we plan to set up in major regions of the country.

[*Translation*]

Honourable members know full well that we have established in Montreal an almost independent office to deal with the department's business in the metropolis of Quebec and Canada. There is also another regional office in Toronto and one in Vancouver. We intend to set up other regional offices, perhaps one in Winnipeg and the other in Halifax. This is the indication of some decentralization in the management of the department's business with a view to ensuring quicker action and a more accessible justice for the citizens of these areas.

[*English*]

Each of these offices has a professional staff of roughly a dozen lawyers, and these offices have been found to work out very well in practice. It is the intention of the government, as I say, to continue to extend the regional office idea so as to facilitate the work of the department. These local offices can handle claims and prosecutions and provide on the spot legal advice for the various federal government departments that have offices in such cities or districts.

Apart from the work of the department as I have described it, Mr. Chairman, the Department of Justice concerns itself with the subject of law reform. In the very near future I will be reintroducing a bill that will make extensive revisions in the Criminal Code, and I will also be introducing a completely revised and new Expropriation Act. We intend to set up a new research branch in the Department of Justice that will be charged with the reform of the law and the revision of statutes.

I mentioned when I spoke to the students at Osgoode Hall that we were going to set up within the next two years a national law reform commission charged with reviewing the entire area of federal statutes and the criminal law. I hope too that we will have a permanent statute revision next year. The purpose of the research branch of the department will be to co-ordinate and to liaise with the national law reform commission, with institutes of criminology across the country, with law faculties and, of course, the profession in general.

Mr. Knowles (Winnipeg North Centre): Would the minister permit a question at this point. Would he relate what he is now saying to the matter of the new edition of the Revised Statutes of Canada? Can he tell us what is the status of that work?

Mr. Turner (Ottawa-Carleton): I would be glad to do that, Mr. Chairman.

• (3:30 p.m.)

We are in the process of introducing new types of typesetting and text, and we are introducing the use of the computer in the revision of statutes. The amount set aside in last year's estimates was not expended. We will again set aside $1 million to set up a permanent revision commission. We are negotiating with Queen's University and the University of Montreal to have on a permanent basis, and not a decennial or periodic basis, a permanent revision and consolidation of all types of statutes.

I hope with the use of the computer, the new tapes and the application of the new science called jurimetrics to establish a system in the French and English languages whereby legislators, lawyers and the public generally will be able to go to the regional offices of the department and receive almost instantaneously an up to date version of any consolidated statute on the statute books of Canada. I hope that with the use of computers we can narrow the time gap between the revised statutes and the continuing statutes to about four months.

[*Translation*]

Mr. Fortin: Mr. Chairman, further to the question put by the member for Winnipeg North Centre (Mr. Knowles), I should like to put the question to the hon. Minister of Justice.

As the statutes are officially revised every ten or 15 years, can the minister tell us approximately when they will next be revised and published because, at the present time, when we want to refer to, for instance, chapter 116, all we find is sections which have been amended. Consequently, can the minister give us the approximate date of that revision?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, before we finish dealing with these estimates, I shall obtain confirmation on an approximate date. I agree with the hon. member that it is most awkward for the citizen, and especially in the case of an expert, to look up something in the statutes. He has to read them all year by year, since 1952. As this is not practical we are trying to get them revised, and I shall try to get the approximate date on which this is supposed to be done.

[*English*]

There is under consideration in the department a complete revision of the Canada Shipping Act and the Admiralty Act. In conjunction with the Department of Transport we hope to bring in a new maritime code. This is a long term project to be developed continuously in the next five or ten years. After that we will have a rationalized code in Canada for maritime matters.

On other occasions I hope to bring forward revisions to the Exchequer Court Act which will probably provide for some means of relieving some of the pressure that is put on the Supreme Court of Canada. Proceedings must now be by way of a petition for leave to appeal to the Supreme Court of Canada. The revisions will be in the form of an appellate division of this court and a reform in the administrative law. We shall consider the process of judicial review of administrative tribunals.

These are examples of what we believe to be relatively major undertakings to be undertaken by the Department of Justice in the area of law reform. It is the view of this government that even greater efforts in this area ought to be made, and I therefore intend to bring forward legislation in the months to come that will be directed to this end. I look forward with interest to what hon. members of the committee have to say and I shall do my best to answer their questions.

Mr. McQuaid: Mr. Chairman, we thank the minister for his introductory statement. He has attempted to explain why his departmental estimates are considerably higher than they were last year. I suggest that there are still unanswered questions, and the committee would like to hear answers to those questions.

The minister explained that it would be the policy of the department to establish 72 additional positions within the department. I notice that the estimates this year provide for a vote of $185,000 for professional and special services, while the amount for that item last year was only $50,000. In 1966-67 the amount applicable here was only $10,000. If the minister is to establish 72 additional positions in the department, why does he need the vote of $185,000 to provide for professional and special services? Surely some of those 72 additional men who are to be put on the department's payroll could take care of a good many of the professional services the department is to be expected to supply.

I notice in vote 1 an item of $1,088,000 for the publication of departmental reports and other material. In 1967-68, that is last year, that vote amounted to only $40,000. I think the committee is entitled to know why the amount has jumped from $40,000 to $1,088,000. Another item had to do with travelling

expenses. I presume that has reference to travelling expenses for the officials of the department, since judges' travelling expenses are provided for under another item. This year travelling expenses are up by $19,000. Accommodation provided by the Department of Public Works is increased by a figure of $447,000.

The fact is that the estimates of the Department of Justice this year are $4,778,500 higher than they were last year. I suggest that in these days of so-called austerity, of cutbacks by governments, when provinces are told they are practically on their own from now on, it is strange to find that in the Department of Justice, which is a comparatively small department of government, spending estimates for this year are $5 million above those of last year. Before the estimates pass I think the minister must give us a detailed explanation of how this increase has come about.

We hear the minister say that he intends to proceed with proposed amendments to the Criminal Code. This is a very, very important piece of legislation and one which at some time or other could touch virtually every citizen of this country. The amendments were introduced last year under bill C-195. That was an omnibus bill which purported to be an act to amend the Criminal Code, the Parole Act, the Penitentiary Act, the Prisons and Reformatories Act and to make certain consequential amendments to the Combines Investigation Act and the Customs Tariff. That is legislation of a very wide scope. The Prime Minister said that the law has no place in the bedrooms of the nation; but these proposals are so wide in scope that if they do not make their appearance in the bedrooms of the nation they will affect almost every other phase of our living.

• (3:40 p.m.)

We have not as yet seen this new bill. If it contains everything that was contained in the previous bill C-195, which was submitted last year, it will contain much that is good. The bill contains at the moment some things with which all of us might not be able to agree. We therefore hoped we would not be placed in a position where we would have to vote against the entire bill, including those parts which we considered to be good, simply because there were other parts with which we could not agree. The former minister of justice, the present Prime Minister, indicated last session that the house would be required to vote upon this omnibus bill in its entirety—that it would not be broken up. Since then there has of course, been a change in the administration. The present minister gave us some hope when he intimated that he would like to see the bill divided so that it could be voted on in sections. He expressed himself to that extent. But apparently the great white father who sits in the seat of the prime minister decreed otherwise, and the poor Minister of Justice was faced with the choice of either falling into line or picking up his marbles and going home.

I do not think that even Adolf Hitler ruled with a firmer hand than does the present Prime Minister, nor do I believe there has ever been a more docile group of ministers than those who hold office now. If the medical profession ever gets around to doing spine transplants there will be an open field over there, because these men are spineless. Why cannot the Minister of Justice be an exception to this general rule? I am sure he is convinced in his own mind that this bill should be broken down and voted upon in separate parts. He knows very well that this is the proper way in which to proceed. He knows very well that this is the manner in which the majority of members would like to see it dealt with. I suggest he be not afraid any more of the great white father. The Prime Minister is not going to fire him; he is too good a minister. The Prime Minister will not let him go. If the bill the minister introduces in any way resembles Bill C-195 it could very conveniently be dealt with in separate parts. It is designed in such a way as to be very conveniently broken down. Were this done we would not be obliged to vote against the whole bill simply because there were some clauses or divisions in it with which we could not agree.

For example, there are members of this house whose moral convictions would not allow them to approve those parts of the bill which propose the relaxation of the law relating to homosexuality. I suggest that anyone who feels this way should have the privilege of voting against this part of the bill, and still not be obliged to vote at the same time against those provisions which he feels are good. There are some—and I include myself in this classification—who cannot believe that abortion even in the early stages of pregnancy does not constitute the taking of a life. For this reason, those who think this way should be allowed to vote against this provision without voting against the bill as a whole. We shall expect a statement from the minister with regard to this matter. I hope he will follow the dictates of his own conscience, and

divide the measure, perhaps at the same time allowing a free vote on it.

There are many matters with which the minister failed to deal in his opening statement. I fully expected that he would give the house an explanation of the embarrassing position in which this government now finds itself in connection with the case of Mr. Hal Banks. Make no mistake about it, Hal Banks is a fugitive from justice, nothing less. This man was sentenced in 1964 by a Montreal court to five years imprisonment for conspiracy in the beating of another waterfront union member. He appealed this conviction, and by reason of the money which was at his disposal he was able to secure release on bail in an amount of $25,000. He skipped his bail and went to New York. He was later located in the United States and in 1967 the department of the attorney general requested that he be arrested and brought back to Canada to face a charge, not of conspiracy, but of perjury in connection with the evidence he gave before the Norris commission on Great Lakes violence in 1963.

It is most important to note in this connection that extradition was sought, not on a charge of conspiracy to commit assault, for which he had been convicted and sentenced in 1964, but on a charge of perjury. A conspiracy to commit assault is not an extraditable offence, but perjury, I seriously suggest, is such an offence. As hon. members know, there is an extradition treaty between Canada and the United States covering perjury, but not assault.

Ontario therefore asked that Banks be extradited on the charge of perjury. The Ontario application was heard by a man by the name of Abruzzo, a commissioner in New York where, by the way, Banks has been held in custody. He was arrested in New York and placed in gaol there. After hearing all the relevant evidence, commissioner Abruzzo concluded that Banks should be extradited and returned to Ontario for trial on the perjury charge. Mr. Banks then took the somewhat extraordinary course of waiving his right to appeal this decision to a higher court. Rather than avail himself of this procedure he appealed directly to the secretary of state for the United States, Mr. Dean Rusk.

I have my own opinion, as do many others, as to just why the appeal was made to Mr. Rusk rather than to the court of appeal. In any case, Mr. Rusk saw fit to over-rule the decision of the commissioner. He gave reasons. He did admit that perjury was an extraditable offence but he said that the alleged lie concerned a crime which was not extraditable. This line of reasoning is pretty difficult to follow. Perjury is perjury, no matter in what circumstances it is committed. Perjury, I suggest, must be accepted in its ordinary dictionary meaning, as giving false testimony under oath.

• (3:50 p.m.)

The nature of the case in which the perjury was committed is absolutely irrelevant. The only relevant question is: Was perjury committed? Under the Canadian extradition treaty perjury is an extraditable offence, and I completely fail to see how the United States secretary of state could decide otherwise. However, Mr. Chairman, the important point now is that the decision of Mr. Rusk was an executive decision; it was not a judicial decision. There could have been a judicial decision had Mr. Banks availed himself of the right to appeal to the supreme court, but he did not do that. He appealed to a member of the executive who handed down, not a judicial decision but only an executive decision; and since it was an executive decision I suggest that it can be changed by a new administration. This is precisely what Senator Fannin of New Mexico suggests could happen if the proper representations are made to the new administration.

It is very important in this case to distinguish between a judicial and an executive decision, and I repeat that Mr. Rusk's decision was completely an executive decision. I suggest that the Minister of Justice completely misrepresents the case—not deliberately, but the case was misrepresented when he said on November 14 of this year, as recorded in *Hansard* at page 2721:

> Mr. Speaker, I have just stated the opinion of the law officers of the crown, for the Attorney General of Canada, that the case could not be successfully reopened. As a principle of law I suggest to the hon. member, who is learned in the law, that a mere change in executive in the United States is not sufficient reason to place a man in double jeopardy before the courts. There has been a trial, and it has been concluded.

I agree, Mr. Chairman, that there was a trial before commissioner Abruzzo and he decided that Mr. Banks should be extradited. That should have been the end of the matter, unless Mr. Banks wanted to exercise his right to appeal to a higher court. But remember it was not a court which over-ruled Mr. Abruzzo: It was an executive official, Dean Rusk,

who assumed unto himself the functions of a court of appeal.

The Minister of Justice stated further, as recorded at page 2721 of *Hansard*:

> The case for Mr. Banks' extradition has been before the United States courts and the proceedings have been exhausted.

Further on he said:

> —the extradition proceedings having been taken unsuccessfully before the United States courts those extradition proceedings are spent, and that the case could not be successfully reopened before the courts.

That, Mr. Chairman, is not the case. The extradition proceedings were not taken unsuccessfully before the United States court. They were taken successfully before commissioner Abruzzo and he decided that extradition should be granted in this case. The decision of the commissioner was that this alleged criminal should be extradited and returned to Ontario to stand his trial. It was the decision of Dean Rusk that he should not be extradited, and again I say this was purely an executive decision and can be reversed by a new executive.

I am afraid that the whole spectrum of American politics looms high over this executive decision by Mr. Rusk. Even our former secretary of state for external affairs, Hon. Paul Martin, challenged Mr. Rusk's position when, on March 27 of this year, he was reported to have said that the ground on which Mr. Rusk refused to return Banks to Canada—

> —does not exist under the terms of the extradition convention between Canada and the United States.

In other words he argued that Mr. Rusk probably did not have the authority—certainly did not have the judicial authority—to over-rule the decision of the commissioner.

This man Hal Banks is a fugitive from justice. He must be returned to this country, if there is any way of getting him back here, to stand trial. He skipped his bail. He is free today because in the first place he was rich enough to put up $25,000 bail. The sum of $25,000 did not mean anything to Hal Banks. Then he left Canada and, in essence, defied the courts to bring him back. I hope in all sincerity that Hal Banks has not got a friend in court so far as the government is concerned. I hope the minister will do his very best and co-operate with the senator from New Mexico to have this man returned to Canada.

If there is any possible chance, and I think there is, that the executive decision of Dean Rusk can now be over-ruled by the new executive, then I suggest nothing should be done to hinder that being accomplished. This is a very important matter. I repeat that this man is a fugitive from justice and the government—no government—should do anything at all to help him. Had he been a poor man he would probably still be languishing in jail. He is free now only because he was able to put up $25,000.

That, Mr. Chairman, leads me to the next matter on which I would like to comment briefly. As a practising lawyer and as a former attorney general, this is a matter which has always given me quite a bit of concern. I refer to the matter of detention after arrest, and of course the question of bail. I feel that this is presently receiving the attention of the department.

My experience in the field of criminal law, both as a prosecuting attorney and as a defence counsel, has led me to believe that in many cases the police unnecessarily arrest a person, take him into custody and lodge him in jail when the circumstances of the case do not warrant such drastic action. This has resulted in a great deal of unnecessary hardship and very considerable personal inconvenience and embarrassment, when a summons in the first instance would have been all that was necessary to make sure that a man appeared for his trial.

I am not suggesting, Mr. Chairman, that arrests are not in some cases necessary. An arrest is quite often necessary not only for the protection of society but also for the protection of the person arrested. But there are occasions when persons who are very well known, who are large property owners, and where there would be absolutely no question about turning up the next day for trial, have been placed under arrest. Such a person, I maintain, should not be arrested in the first instance but should merely be summoned. I am afraid that very often an arrest is made, with the result that the person concerned is punished by the very arrest itself. This is punishment in itself, even before he is tried and convicted. He is punished once he is placed in custody, and this of course is contrary to the whole spirit of our laws.

I am of the opinion that possibly the Criminal Code leaves a police officer with very little discretion. If a policeman decides to detain a person he is almost obliged to arrest him and place him in jail. I suggest that this matter should be studied by the law officers

of the crown with a view to suggesting certain amendments to the Criminal Code, if necessary, which would allow policemen to use discretion in certain cases. I am not suggesting that all persons should be immediately released. I am suggesting, however, that the arresting officer should be empowered to exercise some discretion in matters of this kind. Very often, as I say, the arrest causes not only inconvenience and humiliation but also is done at some considerable cost to the public. Every time a man is arrested there naturally is some expense involved.

• (4:00 p.m.)

I have looked into this in a rather cursory manner and it would seem to me that if we could amend section 435 of the code to make the officer's right to arrest without a warrant dependant not only upon his having reasonable and probable grounds for believing that an offence has been committed, but also upon its being reasonable for him to arrest rather than to summon, this would leave him some discretion if he should feel in his own mind that the reasonable thing to do is to release the man immediately and issue a summons. I believe if we were to amend section 435 of the code we could probably accomplish this purpose.

A number of other changes could be introduced into the code. Unless these changes are made we will find that the summons procedure will not be used extensively and that the police will continue to arrest almost indiscriminately. This is actually what happens. A study of a sampling of 6,000 cases was made a few years ago and it was revealed at that time that 90 per cent of those charged with Criminal Code offences were arrested, while less than 10 per cent were summonsed. It was also revealed in this study—and this is an alarming situation—that approximately 85 per cent of those arrested were kept in police custody until their first court appearance. In many instances this involved a substantial period of time.

In one division in the city of Toronto, for example, over 80 per cent of those who were booked between seven o'clock in the morning and midnight were kept in police custody for more than 10 hours before their court appearance, and then they were required to raise bail. This would seem to me, in many cases, to be an injustice, because of the 80 per cent of these men or women who were booked I think I would be safe in assuming a very large percentage were responsible citizens who could have been released immediately and would have appeared in court the next day on a summons. In these cases it would not have been necessary for them to have been kept in custody for a period of up to 10 hours and be faced with the inconvenience of attempting to find someone who would put up their bail.

This leads me to my next point, the question of bail. Here I suggest that a change in the law is very definitely needed and long overdue. The provisions for the ordering of bail prior to trial, in all offences whether indictable or summary conviction, are found in section 451 of the Criminal Code. They are identical to the provisions relating to preliminary inquiries. Section 451 of the Criminal Code provides:

> A justice acting under this Part may (a) order that an accused, at any time before he has been committed for trial, be admitted to bail
>
> (i) upon the accused entering into a recognizance in form 28 before him or any other justice, with sufficient sureties in such amount as he or that justice directs,
>
> (ii) upon the accused entering into a recognizance in form 28 before him or any other justice and depositing an amount that he or that justice directs, or
>
> (iii) upon the accused entering into his own recognizance in form 28 before him or any other justice in such amount as he or that justice directs without any deposit;

It is clear, therefore, that the ordering of bail is a judicial act. It must be done by a judge, a magistrate or a justice. The amount of bail and whether or not it is to be granted at all is decided by the justice. I am not levelling any criticism at the men who make the decisions, but I believe it is pretty generally recognized, particularly in the smaller jurisdictions, that some of the justices who make these decisions are not trained in the law. I know this does not apply in the major centres. We would probably not find this situation in Montreal, Toronto, Vancouver or Calgary. However, in some of the smaller areas there are justices who, although they do their best, are not trained in the law and for that reason perhaps cannot properly appreciate the situations with which they are faced, and therefore perhaps are not in a position to exercise properly the discretion vested in them. I agree that the law requires that before exercising this discretion the justice should obtain as much information as he can regarding the nature of the alleged offence, the character and background of the accused, the likelihood of his appearance for trial and such other relevant factors as will assist him in exercising his discretion. But the important

thing to remember is that under our present system there is no absolute right to bail.

The Chairman: Order, please. I am sorry to advise the hon. member that his time has expired, unless it is the wish of the committee that he be allowed to continue.

Some hon. Members: Agreed.

Mr. McQuaid: Thank you. There is a basic principle of law which recognizes that a person should retain his freedom until he is convicted of the offence for which he has been charged. Because this is a basic principle it certainly is as applicable to the poor as it is to the rich, and it should be. It should be just as applicable to the man who does not have a cent as it was to Hal Banks, who was able to put up $25,000 in the form of bail. As was the case in respect of Hal Banks, the ability to raise a large amount of money places an accused person in a more advantageous position than an accused person who cannot raise the money and therefore must remain in jail. I suggest this is contrary to the basic principle of British justice, and I believe something should be done by way of amendment to the code to correct that unfortunate situation.

I understand the Department of Justice has the matter in hand. When the omnibus bill is brough in I hope there will be something in it to take care of both these situations, the detention of people immediately after being arrested and the broadening of the law with regard to bail, so that people will not be required after arrest to be penalized merely because they cannot find the cash necessary for bail or perhaps because they are friendless, alone in a strange place and do not have someone to go on their recognizance. These are a few things which we would hope the Minister of Justice would take into consideration when he is drafting his omnibus bill.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I thank the hon. member for his remarks. I shall restrain myself until later, except in respect of one point, in order to set the record completely clear with regard to the Hal Banks situation.

• (4:10 p.m.)

I must say to the hon. member that I respectfully differ with his interpretation of the law. When I learned of the reports of the statement by the United States senator from New Mexico I immediately contacted the legal officers of the crown and asked them what recourse the government had to reclaim Mr. Hal Banks within our jurisdiction. The law officers of the crown consulted United States counsel in New York City, in fact, the same counsel who had advised the attorney general of Ontario in the earlier extradition proceedings.

It is the view of the United States counsel, supported by the view of the law officers of the crown, that the extradition proceedings are at an end, and that the incoming United States administration cannot reverse the decision taken by Mr. Rusk and order Mr. Banks re-arrested and retained for extradition to Canada. The hon. member for Cardigan suggested that the action of the secretary of state, Dean Rusk, in refusing to sign the extradition order after Commissioner Abruzzo had committed Banks for extradition, was an executive act, not a judicial act, and therefore the judicial process had not been interrupted.

It is the view of the law officers of the crown, supported by United States counsel, that the executive act of the secretary of state, Dean Rusk, was part of the judicial process as contained in the extradition act and the extradition treaty itself. In this respect there is really no difference between the law of the United States and our own. Under our own Extradition Act, before a person who has been committed by a judge or by an extradition commissioner for surrender can be extradited, the minister, in our case the Attorney General of Canada, must so order in writing. The situation is the same in the United States. After committal for extradition or surrender, the person so committed can be extradited from the United States, but the secretary of state must so order in writing.

If in a particular case the Attorney General of Canada, or the secretary of state, being the equivalent officer under the act in the United States, should refuse to make an order for extradition we do not believe it possible—by "we" I mean the law officers of the crown, supported by the advice of United States counsel—that it can be seriously argued that the secretary of state or his successor, can later change his mind and order the person re-arrested for extradition to a foreign country.

In other words, once the discretion of the secretary of state or the Attorney General of Canada has been exercised either in favour of signing the extradition order or against it, then the proceedings have been exhausted and cannot be re-opened. I think to argue the

contrary would mean that any person so concerned would continue in peril indefinitely, depending on changes in the administration or in policy.

I have to re-affirm, with the greatest respect to my colleague in the law, that an executive act or administrative discretion once exercised by the secretary of state of the United States, under the extradition act or the extradition treaty, cannot later be re-exercised either by that same secretary of state or by a successor. Mr. Banks once having been brought into jeopardy under proper judicial process cannot be brought into jeopardy again.

Mr. Baldwin: I read the press stories in this regard and it seems to me that the senator based his opinion on the results of some inquiries or legal opinions he obtained. This is a very serious point. I am not suggesting that the minister or his legal advisors are wrong. I have great respect for both, although I have occasionally had reason to differ with their judgment. On occasion judges have found that I was right and they were wrong.

It is well known that an information and complaint may be laid against a person who is suspected of having committed a criminal offence. A preliminary inquiry is then held; but before the time comes for a charge to be preferred in another court we often find that a stay of proceedings is entered. That stay of proceedings is an executive act. The attorney general of a province in exercising his discretion refuses to proceed with the charge in the Supreme Court or the county court, as the case may be. The entering of that stay of prosecution, the *nolle prosequi*, does not prevent a charge from being proceeded with against the person at a later date.

That is on all fours with this situation. I put that as a comparable case to the minister and suggest it would be of some interest to members of this committee if the minister made inquiries as to the basis of the senator's statement. It may well be that senators in the United States have access to higher priced legal talent than the department of the attorney general over there.

Mr. Turner (Ottawa-Carleton): I do not know whether the United States senator for New Mexico sought legal advice, but I suggest to the hon. member for Peace River that while the attorney general might have discretion as to whether to prosecute or not if his law officers advised him there was a case, it would be highly unusual for an attorney general to act if his law officers told him there was no case.

Mr. Baldwin: He would never lay a charge in that event.

Mr. Gilbert: Mr. Chairman, I should like to preface my remarks by congratulating the minister on his appointment. I was rather disappointed, however, by his opening statement in respect of this important department. In speaking briefly on the Banks case, which has just been discussed, the minister stated that Mr. Banks would be placed in double jeopardy if there were to be a rehearing of this case. Double jeopardy is an old principle in respect of accused persons, but it seems to me that if Mr. Banks were retried and sent back to Canada, not only would he be in double jeopardy but the Liberal government would be in double jeopardy, because some of the members of this government sponsored Mr. Banks when he came to Canada in the first place, and some of them received contributions from the S.I.U. for their political campaigns. Therefore, there really would be double jeopardy if Mr. Banks did come back to Canada. If he does come back to Canada I hope the hon. member for York South will in future get some of those S.I.U. contributions.

I said I was disappointed in the minister's opening statement. I thought we had a minister who had a flair for reform, and one who would stand up and set forth some of the great changes he has talked about outside the house, some of which have been reported in *Maclean's* magazine. The minister made a rather complete presentation of the work of his department, and then made an apology for employing 72 more individuals. He has actually reached the position now that he is only a part time minister. This was the result of the reorganization measure of November, 1966. Prior to that the office of the Minister of Justice was very important. After the reorganization, the department was castrated of any real jurisdiction. Its main jurisdiction now is in respect of constitutional matters.

The Prime Minister has taken unto himself the problems associated with the constitution. He set up a task force and decided not to refer constitutional matters to any standing committee. He has kept unto himself and his officials some very important aspects of constitutional law. One might have thought that the imaginative and bright Minister of Justice would persuade the present Prime Minister to refer this matter of the constitution to a

standing committee in order that we could call experts and hear what they have to say about the delegation and redistribution of powers.

• (4:20 p.m.)

Apparently he has not been able to persuade the Prime Minister in this very important area. This is why I say he is really operating on a part time basis. He still has control of the Criminal Code. Although some parts of the Criminal Code appear to be divided with regard to jurisdiction, I am very saddened that the Minister of Justice has not taken any initiative with regard to setting up a fund from which to compensate innocent victims of criminal violence. This matter was raised by the former member for York-Humber and the principle was accepted by the government. It was referred to the standing committee on justice and legal affairs, and after a very thorough investigation I thought we had adopted the principle with regard to compensation.

There has been wide experience in this field and some of the provinces have initiated action. The lame excuse of the government is that law enforcement falls within provincial jurisdiction, and therefore the minister sidesteps the question and fails to appreciate that the federal government has contracts with eight of the ten provinces in Canada with regard to providing police services. Those services are provided on a controversial basis. The two provinces not covered are Ontario and Quebec; all other provinces are covered by contract with regard to police services. There would be nothing wrong in including in the contract sufficient money to pay compensation to innocent victims of criminal violence.

We have heard a great deal about persons who have suffered as the result of criminal violence and have received no compensation. In this respect the unimaginative minister takes no action whatsoever. He does not rise and say that the government is going to take positive action in this field, and I am greatly disappointed because of this.

An hon. Member: Mr. Chairman, would the hon. member permit a question?

Mr. Gilbert: When I have finished I will be glad to receive questions. Another area in which we are greatly disappointed is that of the expungement of criminal records. In the last session the solicitor general, in response to a question of mine during the discussion of the estimates of the previous year, said he had laid before the cabinet a memorandum with regard to the expungement of criminal records, and the bail system. This gave encouragement to the members who had served on the standing committee on justice and legal affairs, because in respect of a bill sponsored by a Liberal member from Welland the committee studied this matter in depth, expert witnesses were called and a report was made to the house with regard to the expungement of criminal records. The same thing applied to bail. Here we had the undertaking of the former solicitor general that the matter was in memorandum form before the cabinet for decision. We had encouragement in this respect.

What happened? An election was called. We now have a new cabinet and no initiative has been taken by the Minister of Justice or the Solicitor General with regard to action in these very important fields. This is something with regard to which the part time Minister of Justice could take a real stride forward in introducing legislation in the house.

I am now going to give the minister more suggestions with regard to things he could do, and thereby make himself a name in Canadian history, as one who never stood in the background but was always in the forefront of reform. There is the question of the Expropriation Act. You will notice, Mr. Chairman, that in this session the hon. member for Peel South introduced a motion with regard to the setting up of a new Expropriation Act. The motion was adopted, and accepted by the government in principle.

The minister has said—this is in the throne speech, and statements made by the minister—that he intends to bring forth legislation with regard to a new Expropriation Act. Perhaps you do not know this, Mr. Chairman, but it is very significant that back in 1962 this government also brought forth an act respecting the expropriation of land. This matter was started in 1962, but here we are in 1968 and no measure has been placed before the house. Surely the Minister of Justice, a very bright, intelligent and active minister, could bring forth this measure in a matter of days and have it referred to the standing committee on justice and legal affairs.

The hon. member for Peel South is very interested in this act, because if the airport in Toronto is extended there will be a great deal of land expropriation. If this measure is not introduced by the time the expropriation

takes place, the hon. member is in real jeopardy with regard to being re-elected next time, because he knows how old the other act is. Since 1889 there have not been any amendments to the Expropriation Act. The hon. member knows that the important item with regard to compensation is giving notice to landowners in respect of expropriation. These are the two main areas in the Expropriation Act, and they were pretty fully covered in the 1962 act. There is no reason why the Minister of Justice cannot at this time bring forth a new act and have it referred to the standing committee.

The next question I wish to discuss is that of marijuana, Mr. Chairman. If ever an issue has been debated recently it is the issue of marijuana. We find there is divided jurisdiction between the Minister of National Health and Welfare and possibly the Solicitor General, or it may be the Minister of Justice, if he is in charge of the drug and narcotics control act. We have had evidence from the deputy commissioner of the R.C.M.P. of an alarming increase in marijuana convictions. It should be fully appreciated that 80 per cent of this increase applies to young men and young women between the ages of 16 and 25. This was the statement of the deputy commissioner.

One has to appreciate what a conviction means to a young person. It means he has difficulty with regard to obtaining employment, with regard to travel and bonding. Yet here we sit, with the Minister of Justice taking no action with regard to a proper amendment to the act. No action is taken by the Minister of National Health and Welfare, and we have a statement by the Solicitor General that no action will be taken during this session. This is a field into which the Minister of Justice should step, and correct the situation, because it has a serious effect on our young people.

The next item with which I wish to deal is that of corporal punishment. Every time I pick up the Criminal Code and read section 641 I realize that this section must have been drafted back in medieval times, in the 16th century. I will read section 641 which falls under the heading of "whipping":

> Where a person is liable to be sentenced to be whipped, the court may sentence him to be whipped on one, two or three occasions within the limits of the prison in which he is confined.

Is it not time that our Minister of Justice took some steps with regard to corporal punishment? The John Howard Society says that the approach to criminal law today should be that of rehabilitation and reform rather than that of revenge. This is the approach that is dear to the hearts not only of the members of the John Howard Society but also the hearts of social workers throughout the country. Reform in this matter of corporal punishment is an area in which we would have no difficulty in getting the full support of the house. The days have long passed when we resorted to these cruel and barbaric methods.

• (4:30 p.m.)

The other item which I am sure falls under the minister's jurisdiction is that of the uniformity of sentencing. There has been a wide disparity in sentencing throughout the country, and if there were some guide lines within the Criminal Code to ensure some measure of uniformity, justice would be applied equally throughout the country. I will ask the Minister of Justice to take immediate action with regard to sentencing, which I am sure falls within his area of jurisdiction, and to bring this legislation up to date. It needs it.

Another matter which I should like to mention is the review of the Criminal Code. I thought the minister would say that since this is an electronic age it is necessary to have legislation with regard to electronic devices for bugging, that he would make a statement on it and refer it to a standing committee, or else give us a promise of legislation. However, not a word was mentioned.

The other matter which I should like to mention regards the insanity rules in the Criminal Code. It has been a long time since any change has been made in the M'Naghten rules on insanity and surely, in view of the progress in the field of psychology and psychiatry, it is time we made some changes in those rules.

Another matter regards the appeal procedure in summary convictions. Many people have found those provisions very difficult to comply with and often cases are thrown out on very technical grounds. It is important that the poor and the innocent are not convicted unfairly.

Another matter is that of vagrancy. This has been a charge under the Criminal Code used by the police as a holding charge, with regard to some other offence which the police may want to apply. I believe the minister should take a forward look at this matter of vagrancy and change this section so as to stop the police from using it as a holding charge.

The minister mentioned rather cursorily that he was setting up a permanent law reform committee. It is high time that this was done, because the last revision of the statutes of Canada was made back in 1952, and from 1952 to the present time we have had annual statutes. Now we are about 16 years behind the times, and one would hope we could make a revision at this stage. With the use of computers we could be in very close touch with the changes that are taking place today. This is one area where we could call together all the experts in the field of the law and have them direct their minds to the reform of our laws. As the minister knows, this has been done with success in Ontario. Again we at the federal level fall behind. We seem always to be acting too little and too late. If the minister is going to make his job into a full time job, this is one area in which he could really excel.

The last matter regards the Exchequer Court of Canada. I thought he was going to say he would abolish that court. The two main items dealt with by the Exchequer Court are taxation and expropriation appeals. He did mention that it may be a forum for administrative tribunal appeals. This makes me shudder, because it is in opposition to the present administrative law, with the exception that under the administrative law there is the right of appeal in the case of a denial of natural justice. I can imagine some of the boards that have been set up being delayed by administrative procedure, according to which not only does one appear before the board but both parties have the right to appeal to the Exchequer Court.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, may I rise on a point of order? I should like to say to the hon. member that I was speaking more in terms of a judicial review by the court, rather than appeal, and that would bring in what the hon. member said about natural justice, and so on.

Mr. Gilbert: Thank you, Mr. Chairman. I have always maintained that we would be very proud to have the minister here with us in our part of the house because I have always thought he was a forward looking minister. I am sure that after he hears my speech and starts implementing some of the ideas he will say "I am one of you". We will be happy to have him any time.

Mr. Knowles (Winnipeg North Centre): We have a vacancy right here.

[Mr. Gilbert.]

Mr. Gilbert: As I said, it has been said with regard to the Exchequer Court that it is a very expensive way to get justice, and that it involves great delays. I believe that court could be abolished, and the matters with which it presently deals could be dealt with either in the Supreme Court or the county court of a province. When it comes to minor taxation appeals, there is no reason why a county court judge, for a small amount of money, could not deal with them, and there is no reason why the supreme court in any province could not deal with them. The more serious problem regards expropriation matters. Although the Exchequer Court travels across the country from time to time, it is very expensive to appear before that court on expropriation matters. Again there is no reason why these matters could not be referred either to a county court or to the supreme court of a particular province.

I should like to say at this point that the parliamentary secretary to the Minister of Justice played a very active role in the standing committee on justice and legal affairs. When I look at him and at the minister I feel encouraged that they will take these words as words of advice—

Mr. Turner (Ottawa-Carleton): Yes, real pearls.

Mr. Gilbert: —and that they will implement them immediately.

[*Translation*]

Mr. Fortin: Mr. Chairman, I should like to make a few brief remarks with regard to item No. 1 of the estimates of the Department of Justice, even if I have to come back later to the other items so as to make a thorough and precise study of their subject matter.

The purpose of my remarks is to raise four or five specific points dealing rather with the general policy of the department. Therefore, I shall start immediately with the first point so as not to delay the discussion.

I will point out, Mr. Chairman, that the Department of Justice which cannot pride itself on being one which very much promotes and encourages the introduction, progress or expansion of bilingualism within the civil service.

I should like to call the attention of the hon. minister on the Exchequer Court, for instance, whose rules of practice are printed in English only. I have already put to the right hon. Prime Minister (Mr. Trudeau) a question in which I indicated that, as far as

students are concerned—just to mention one instance and to repeat the expression used a minute ago by the minister—it was inconvenient. In fact, if the students want to get an official reference on the rules of practice of the Exchequer Court, most of them must refer to the English version, since there is no official French translation.

It should be mentioned in passing that the same applies to the B.N.A. Act; our country is bilingual but only the English translation is official.

The second point on which I should like to call the hon. minister's attention is this: For the last 100 years, all the judgments passed by the Supreme Court of Canada have been brought down in English and whenever one is passed in French, it is not official. If a lawyer refers to a judgment or the jurisprudence of the Supreme Court and wants to have an official reference—I do say "official"—he has to refer to the English version, since these judgments are not passed in French.

During the last session, the hon. member for Témiscamingue (Mr. Caouette) had moved a bill on this subject which did not come up for consideration. Let us hope that the question will be dealt with this year and that the hon. minister will take this definite point into consideration.

I was happy a moment ago to hear from the Minister of Justice himself (Mr. Turner) that the statute revision commission will be able to give us, through the minister, the approximate date of publication of the Revised Statutes of Canada, since the last revision dates back to 1952. It has therefore been 16 years since the statutes were last revised.

I pointed out a while ago that chapter 116—to take only one example—of the revised statutes of 1952 contains an act about the Auditor General of Canada.

Well, Mr. Chairman, if I want to refer to chapter 116 to find out about the present legislation, I see that following all the amendments made to the 1952 act—that is for more than 16 years—it is no longer valid, having been replaced by a good number of measures. As the minister said earlier, that is very inconvenient.

I would like to tell the minister that we would greatly appreciate knowing the date, even approximate, when the statutes will be revised and printed. If he could give an exact date, we would be very happy.

Mr. Turner (Ottawa-Carleton): It would be in October 1969.

Mr. Fortin: I thank the minister, Mr. Chairman.

We now know the date; that is a good point.

As I said, I would like the minister to take into consideration the first points I mentioned concerning the Exchequer Court and the Supreme Court, so that if our country is to have a bilingual look, this becomes a fact and not only words.

If the act on the official languages is to become a living reality, the Exchequer Court, the Supreme Court of Canada and other federal organizations must set an example.

Mr. Chairman, during his brief statement when these estimates were first put before the house, the honourable Minister of Justice spoke of administrative courts indicating that this whole matter would be revised.

• (4:40 p.m.)

Before closing my brief remarks, I should like to draw the attention of the minister to those famous administrative courts, so that he might take note of the following recommendations.

We feel that a special committee on administrative courts should be set up, as soon as possible since, to my mind, that whole matter has been dragging far too long, in order that various acts creating organizations exercising judicial or quasi-judicial functions might be studied. The said committee could give advice to the members and Canadian citizens on the passing of a specific legislation on the administrative courts which the minister could then put before the house in the near future.

In addition, we would like this committee to consider certain matters thoroughly. For example, I would like this committee—which, as suggested by the minister, would be established in the near future—to study the structure of judicial or quasi-judicial organizations. At the present time, we do not know the nature of that structure, it is rather topsy-turvy, to use a common expression, since one cannot make head or tail of it. I see that the minister is smiling and I know that he agrees with me.

I think that is is essential to review the organization of those administrative tribunals, in order to get acquainted with those judicial and quasi-judicial organizations, and to consider as well the status of the members and support personnel of those organizations.

Moreover, certain members do not know what they are doing in this respect; they do not understand the role they are to play. They admit themselves that their personal jurisdiction sometimes overlaps with that of their neighbours or colleagues. There is total confusion. Therefore, that is the first point which should be studied by the committee.

Secondly, and I think the hon. minister will again agree with me, this special committee on administrative courts should examine their territorial jurisdiction and the sanctions of rules of competence. That does not need much explanation.

Third, I should like this committee to study the procedure to be followed in appearing before these administrative courts, so that the rights of every citizen, every person under the jurisdiction of the courts, may be properly protected and a more uniform procedure established. I think that is a fundamental point, Mr. Chairman. The rights of every individual under the jurisdiction of the court must be clearly protected, so that justice may not be a question of money, prestige, resources, the reputation of a businessman or whatever, but really a human question. Everyone should be on the same footing before the law, which is supreme.

I would also like the committee to study thoroughly the advisability of establishing a court of appeal from the decisions of lower courts dealing with administrative matters. The representations I am now making to the minister are valid, and the minister will be able to consider them in due time, since they could be a part of the study made by the special committee.

Finally, I would like this committee on administrative courts to examine thoroughly the advisability of appointing an ombudsman or using some other method to ensure that the rights of every individual under the jurisdiction of the courts are fully protected against encroaching administration.

Mr. Chairman, I think we have set up a program of work for the special committee which could be appointed to study the structure of the administrative courts. These five specific points present a whole program of activities, and hon. members would be very glad with the opportunity of studying the matters in depth, in order to ensure an equitable treatment for every individual coming under the jurisdiction of the courts and to see to it that the justice dispensed is not unjust.

Mr. Chairman, I have the English translation of the remarks I have just addressed to the minister about those administrative courts. I have even put that matter in a notice of motion which he will find in the order paper. I will therefore give him immediately an English copy of what I have just said about setting up a special committee, so that if he is getting ready to reply immediately or to make a few definite comments on those points, he might do so in the language in which he is most fluent.

I should like to be able some day, Mr. Chairman, to deliver a speech in English. A while ago, I had decided to do so in the case of my very short speech, but I would rather attend for some time the government language school before making my first attemps in that language, as I cannot "skate" as easily in English as in French.

One must realize that this word may have different meanings. To "skate" like the member for Témiscamingue and to "skate" like the member for Trois-Rivières (Mr. Mongrain) are two very different things, Mr. Chairman.

I should like to say to the minister that I appreciate his work in the Department of Justice and I am not necessarily of the opinion of the member who spoke before me and who said that the minister is a mini-minister or a part-time minister.

I think he is doing an excellent job, but he should deal with some fundamental matters. One would be, of course, the setting up of a special committee on administrative courts. I am most anxious to hear his comments.

• (4:50 p.m.)

[*English*]

Mr. Gibson: Mr. Chairman, I congratulate the minister upon the energetic and capable leadership he has given this house and country in the field of criminal reform.

The hon. member for Broadview spoke about compensation for victims of crime. If the minister were to heed the hon. member's exhortations, however, I feel a great burden would be put on him to legislate with respect to something that falls clearly within provincial jurisdiction. The minister would be wasting his already scarce time on something over which he has no jurisdiction.

Today I wish to make two points. The first is a suggestion that the summary conviction appeal procedure be streamlined or made simpler and easier for those who fall prey to the technical barriers which confound the path of one who appeals. I suggest that subsection 3 of section 722 of the Criminal Code,

which deals with appeals from summary conviction courts to county judges, be amended to read:

> The appeal court may at any time up to the date of the hearing of the appeal, waive any defects or omissions in the appeal process when the court considers it in the best interests of justice so to do.

I think that such a provision would remove some of the technical barriers people encounter through failure to have an affidavit sworn, to find a magistrate, who may be away on his summer holidays, or to raise sufficient costs. This would also cover many other matters urgently requiring attention.

I have had 18 years experience in practise of the criminal law, both in defence and, latterly, as a crown prosecutor. I have had a chance to view the matter and I have seen many difficulties of the nature I have described. I shall refer to only one case, that of Regina *v.* Amyot, 1968 Ontario reports, volume 2, at page 626. There an Ontario county judge found he had no jurisdiction to hear an appeal because the listing of the appeal was not properly posted at a certain place in the court house. If the appeal had been listed inside the court office it could have been heard; but since some clerk placed the list outside the court room, the appeal could not be heard. That does not strike me as being the course of true justice and I am sure the minister will be interested in assisting in this field of reform.

My second point deals with prelimary hearings. I urge the minister to consider the saving of money and the convenience of witnesses which might result from our adopting the British use of depositions. For instance, if a witness is to be called merely to give a formal statement such as, "Yes, I picked up a document at 5 a.m. on November 12," that statement could be reduced to a simple deposition or affidavit, and filed. Of course defence counsel would still have the privilege of calling that witness. I submit that in many thousand of cases in this country much money could be saved and many people convenienced by adopting such a system.

Mr. Ritchie: Mr. Chairman, I have only one comment to make, or only one question to direct to the Minister of Justice. He must realize, as we all realize, that there is a controversy about the widespread use of marijuana. Marijuana itself does not seem to be a particularly dangerous drug. The greatest danger lies in the fact that a user may move on to more dangerous substances. There is however remarkably little medical literature about its effects.

In February, 1968, and again in March, 1968, the then Minister of Justice when replying to questions said that the policy of the government was to adopt what might be called the hard line. Since then there has been much comment and controversy. Suggestions have been made that this approach is hard and harsh. Speaking in Regina to the Canadian Pharmaceutical Association, the Minister of National Health and Welfare said that narcotics legislation might be amended or modified by introducing a marijuana control bill.

The question of narcotics has long exercised our officials. I think it is well known that the intent of the Narcotic Control Act is to control the widespread use of drugs. I think it is conceded that we ought to be more concerned with distributors of these harmful substances than with users. In other words, there ought to be changes in the act which would remove the profit that pushers may make by selling drugs. Perhaps the law ought to provide more severe penalties for those who push drugs. There has also been a suggestion that under the new legislation it may not be necessary to lay a formal charge of possession against those who possess drugs. In any event, if the narcotics legislation were changed I suggest it might be a good idea not to punish the users of marijuana as severely as the pushers who traffic in the drug for profit.

Progress reported.

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Béchard): I have the honour to inform the house that a message has been received from the Senate informing this house that the Senate have passed Bill S-15, an act to amend the Food and Drugs Act and the Narcotic Control Act and to make a consequential amendment to the Criminal Code, to which the concurrence of this house is desired.

The time 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 motion and public bills.

ELECTORAL BOUNDARIES READJUSTMENT ACT

SUGGESTED AMENDMENT TO MODIFY COMPOSITION OF COMMISSIONS

Hon. Marcel Lambert (Edmonton West) moved:

That, in the opinion of this House, the government should give consideration to amending the provisions of the Electoral Boundaries Readjustment Act so as to modify the composition of the various commissions with a view to obtaining more logical and equitable redistribution of constituency boundaries and to provide that any and all reports and recommendations of the said commissions shall be accompanied by full and detailed reasons for any proposed changes, all of which changes and the reasons therefore shall be debatable in this house.

[*Translation*]

He said: Mr. Speaker, I wish to comment on proposals that have been submitted during recent years, particularly in the course of the first revision by a commission established for reviewing the electoral boundaries, as required by law. I believe that every one of us, in the light of his own experience, will be able to determine the results that have been achieved.

• (5:00 p.m.)

[*English*]

The purpose of my motion is to persuade the government to introduce amendments to the Electoral Boundaries Readjustment Act, in particular to sections 6, 13, 18 and 20—and there may be some other sections related to these. You were good enough, Mr. Speaker, to read out the terms of the resolution so I shall not repeat it. The main purpose is to consider the composition of these commissions, their method of performance, the principles upon which they proceeded, the nature of their reports and the manner in which these reports were handled in the house.

I bring up this subject with some diffidence. I wish it to be clearly understood by hon. members that I make no reflection whatsoever on the ridings which they represent. Those who have been elected to this house for the first time will, naturally, have no experience of the long and difficult debates on this subject which took place in 1964 and 1965. Most of them will not have gone over the public hearings, the subsequent debate on the reports, and the representations made when those reports were adopted by the house.

Regardless of the experience which may have been reflected in various places, I would say that the last redistribution, the first under the Electoral Boundaries Readjustment Act, left much to be desired. In some provinces it could be termed a disaster. I believe every canon of good sense was traversed. One of my former collagues said he thought that in many areas there had been gerrymandering by lack of knowledge and perhaps by some incompetence. I would agree with him. People in the Province of Alberta, in particular, are singularly bitter about the results; we thought they were among the poorest. I am telling the commissioners nothing new when I say this; I have told them so before. In other places they were adequate, but no more.

There was supposedly a professed independence among the commissioners. But as a result of some of the decisions in these connections no other conclusion can be drawn but that some of the divisions had been motivated by political considerations of the type they were not supposed to have. Frankly, there was some gerrymandering in certain districts and some hiving off, and no one will explain them to me in any other way because I could go into those particular districts and show that there is no rhyme or reason about the decisions—no reason of demography, no reason of social contact, that the people go to the same market town, that the children come from the same school district, that they are on the same side of a major river, or anything of that sort. There was a hiving off.

I suggest that in the main the act unfortunately lays too great emphasis on the so-called equality of numbers, with a tolerance of 25 per cent up and down. Those of us who were here will recall there was a great deal of debate about the extent of that tolerance before we finally settled on 25 per cent. Members of two commissions have told me: Thank goodness parliament showed a minimum of good sense in going so far. In their provinces it would have been impossible to operate on any legal tolerance less than that figure. After all, 25 per cent was not mandatory; the commissions could work within a tolerance of 5 per cent up and down if peculiar circumstances dictated it.

Section 13 did provide for looking to demography, to special geographical features, to elements of growth in suburban communities, difficult boundaries and so on. In the main, these were ignored. Take my own riding, so that I do not point a finger at anyone else. I was left with a strip of land two miles deep and ten miles long which straddled the northern edge of the whole city of Edmonton.

I do not object to the people there. I had this territory before, though much more. But this two miles is now an area of development on the north of Edmonton from Edmonton centre. My neighbours between the centre of the city and Edmonton east, to the east of the centre, are inhibited in growth; they have no new area of development.

The northern strip is being developed at a great rate at the present time, particularly next to Edmonton east. My colleague from Edmonton East (Mr. Skoreyko) lives there; he bought and built there because he knew this area was supposed to be included in his constituency. But it was not. The net result is that people who are on the far northeast part of the city are attached to the people living in the far western part of the city though there is no contact whatsoever beyond the fact that they live in the city of Edmonton.

I can tell you the reason why. There was in between a military base and they wanted to leave it in my constituency; they felt that 300 or 400 Liberal votes coming from that base would perhaps work to somebody else's advantage. There is no other reason for leaving that two mile strip.

Some hon. Members: Oh, oh.

Mr. Lambert (Edmonton West): However, it did not work out that way. Never did that traverse the minds of the commissioners? Well, knowing the commissioners as I do, I shall leave it at that.

The complicated constituency boundaries resulted in confusion for civilian voters. May I say, also, that I was able to examine the lists of all servicemen west of the Great Lakes, and I know from the scrutineers connected with the service vote that hundreds and hundreds of ballots were spoiled because of the complicated boundaries which resulted from the commissioners' decisions in many instances. I am thinking particularly of the Province of Alberta—leave it to others who wish to talk about their own experience.

• (5:10 p.m.)

Ridings made no sense geographically, leading to very difficult election campaigns. Often, no interior roads existed. We have one constituency that stretches along the eastern slope of the mountains, running some 450 miles, I would say, from the United States boundary, and 36 miles south of the city of Grand Prairie. There is not a road running directly through that constituency. The people in it have no community of interest. My colleague from Athabasca has to get around his constituency in an aircraft because there are no direct roads, unless he goes through four or five other constituencies.

It seems to me that a constituency should be so designed that its member shall be able to have reasonably quick access to his constituents and they to him. There should be a form of unit. Instead of that we get these conglomerations designed strictly on the basis of so-called population squares that head off to nowhere. I told the chairman of our commission in Alberta that as punishment the commission should have to travel the boundaries of all the constituencies it designed.

I believe that section 13 has to be amended in order to get the emphasis removed from being placed purely on numbers, and to give effect to demographic reasons. During the past election, and I think this is a question of political science, we were asking for the involvement of the people with government. Yet the last redistribution of constituencies has made it practically impossible for many constituents to have contact with their members, or members with their constituents, or even contact among the constituents themselves.

Then there is the question of the commission reports. I always feel that he who desires to make a change has the onus of proof upon him and must advance the reasons for the change. We did not see anything like that in the last redistribution. We were simply given a report and a map with legal descriptions, on the basis that they had been handed down from on high. I found the attitude of some of the commissioners to be as though they had been commissioned by God and were handing down an edict. Their attitude was that anyone who dared to criticize their decision just did not know what he was talking about, and any appearance made at a commission's public hearings was a nuisance to the commission.

I found that the commissions had gone to work on the basis of paper furnished to them by the staff of the boundaries commissioner who had been working on a sort of jigsaw puzzle fitting the pieces together. I believe that hon. members and the public generally are interested in putting viable political units together. In a growing city riding no one can say, "We can put this section in there because we think we have more Liberal",—or Tory, or Social Credit or N.D.P.—"votes in it." This is nonsense. There is no pattern of voting in newly developing areas. It cannot be forecast.

Certainly there has to be some equality of numbers or relationship of numbers, but I am sure hon. members will agree it is a better principle to establish a political unit upon reasons of demography, geography, community of interest and other factors.

As provided in the act, a commission's reports and reasons should come before the house if there is objection to the redistribution in the required volume. The reports and reasons then become available for examination. As a result of the last redistribution my colleague from Calgary North and other hon. members, including myself, sought to obtain the records and memoranda on which redistribution commissions operate, in order to see what on earth led to this blessed mess; but this was denied on a fine legal point. Then the motion was transferred for debate and got lost in the complexities of the legislative machinery.

I feel, Mr. Speaker, that hon. members will want to examine this question. I have proposed this motion at this time for serious consideration. I have not spoken about the composition of the commissions, although I think my hon. friend from Winnipeg North Centre may wish to talk about that. I think difficulty in this connection could be avoided if as originally proposed and provided in the act, and as we thought we were getting, a representative would be recommended by the Prime Minister (Mr. Trudeau) and one by the Leader of the Opposition (Mr. Stanfield) to sit on a commission. This would eliminate any, shall we say, political jiggery-pokery.

Mr. Deachman: That is a good word.

Mr. Lambert (Edmonton West): Or shenanigans—whatever word you want to use. I am sure that the hon. member for Vancouver Quadra (Mr. Deachman) can come up with somewhat more colourful ones but he knows fully what I mean. If that were done there would be a stand-off respecting the question of political influence. There would certainly be a greater understanding of political principles and of a political unit than was demonstrated by most of the commissions during the last redistribution.

Therefore, Mr. Speaker, I say we want to have something better in the composition of commissions. We want to have something better in the way of the principles upon which a redistribution shall take place, and we want to have the reports of commissions so that we can see just why certain constituencies were put together, thus placing the onus for changes upon the commissions. They have to justify the changes. They may want to make a change by saying, "In this district the population has changed." That is perfectly valid. This is a reason; but there are other reasons that must be included.

To talk to one of these commissions and try to justify your own opinions is almost like beating a pillow, and a very soft pillow at that. I do not think I have seen anything work so arbitrarily and poorly as the last electoral redistributions. Therefore I urge hon. members to consider my motion, and I trust in its ultimate adoption.

• (5:20 p.m.)

[*Translation*]

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Would the hon. member allow me a question?

Mr. Lambert (Edmonton West): Certainly, if I am granted the time to answer.

Mr. Forest: Mr. Speaker, I would like to ask the hon. member who has just spoken if, according to his proposal, the commission's report could be discussed in the house? Furthermore, could the house amend the commission's reports or merely submit recommendations?

Mr. Lambert (Edmonton West): No, Mr. Speaker. This matter was thoroughly discussed during the debate. Members could not have the report amended, because we could have done so ourselves at the very beginning. If members were permitted to amend the report, I think the commission's independence would be destroyed. We want to know why changes were made so that we can make representations, but if we are not told, how can we express our ideas or oppose those which motivated the report?

[*English*]

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, the notice of motion which is now before us seeks to amend the Electoral Boundaries Readjustment Act and therefore, hopefully, to establish at some future time more logical and equitable redistribution of constituency boundaries. To this end it asks that all changes and the reasons therefor be debatable in this house before being put into effect. Certainly every member of this chamber believes that constituency boundaries should make some kind of reasonable sense, and that no constituency should be more burdensome or difficult to represent than any other. What

we would like and what is possible, however, never converge, but like parallel lines run merrily together into infinity. Logical and equitable constituencies are hardly possible in a nation like ours, which in itself is neither particularly logical nor equitable. It has been said that some countries have too much history but that Canada has too much geography. Well, that may be so, but despite seemingly insurmountable geographical obstacles our ancestors who came from here, there and everywhere forged an unlikely nation in the northern part of this continent. Canada may not accurately be called a logical political, geographic or historical entity, yet it survives and even thrives.

If our nation cannot be described as a logical outcome of historical forces, neither can it be described today as a shining example of equality. We continue to be troubled by glaring inequalities of economic well-being and opportunity which exist from region to region, and within our major cities as well. Thus, it may be said that we have the kind and size of constituencies which we deserve, living in a nation such as ours, constituencies which are as illogical and inequitable as this nation itself. Certainly, when it comes to the question of size, as the member for Thunder Bay I have something to complain about. This riding is much too vast for any one man to represent adequately, even if he were a reasonable facsimile of Paul Bunyan, which I am not. A region which includes 155,000 square miles is a huge area to cover adequately, even during the term of a single parliament. Yet in all this expansive acreage there are only 55,000 people, of whom approximately 26,000 are eligible to vote. If I subscribe to the democratic principle of one man one vote, which I do as nearly as it is possible to hold to that principle, it is neither reasonable nor logical for me to expect my constituency to shrink in size unless—and this is something for which we in northern Ontario press all the time—through a vigorous program of regional development we can attract thousands of people into northwestern Ontario to enjoy with us the good life there, and help us develop our almost limitless natural resources.

The mere alteration of constituency boundaries really is no certain guarantee of greater equity for either members or the constituents whom they represent. To this end it does seem reasonable to make a small suggestion to the commissioners of internal economy. I am sure my hon. friends from Kenora-Rainy River, Algoma East, Cochrane, and many others, would agree with me when I suggest that those who represent extremely large rural ridings should be given some extra financial consideration to assist them in meeting the extremely heavy expenses which are incurred in representing such constituencies. The people of my riding are a great distance from most departments of government. Therefore they rely very heavily upon their member, whom they expect to see regularly and often. I am prepared to agree that in the constituency of Thunder Bay there are certain illogical aspects which we would like to see changed. For example the southwest corner of the riding includes people who live near the outskirts of Fort Frances, a town which lies within the constituency of Kenora-Rainy River. Naturally these people look to Fort Frances as their centre for commerce and recreation. It follows therefore that logically they should reside in the same federal constituency as the townsfolk. Again, my hon. friend from Kenora-Rainy River has included in his riding the town of Sioux Lookout, which is linked in its educational system under the new reorganization of school districts in Ontario with the town of Dryden, the largest community in Thunder Bay.

In order to reach Sioux Lookout the member from Kenora-Rainy River must follow a fairly long route through Thunder Bay. Since we wear the same political colours there is no problem, but there is great inconvenience for the member, and the charge of illogical redistribution is probably justified. Further, a constituency like Thunder Bay is faced with the problems of communication which fight against the existence of a community of interest or common concern, and it is not logical that people in one constituency should be so isolated from each other that they are unaware of what people in other parts of the constituency are doing, or of what problems there may be in another part of the constituency. There is no single radio or television outlet which serves the whole area. No one newspaper is read by the majority of the constituents. Some look to Winnipeg, others to the lakehead, and still others to Toronto as their chief urban centre.

As I have indicated, we in northwestern Ontario certainly are not at a loss to offer full and detailed reasons for a more logical and equitable redistribution of some of our constituency boundaries. There is, however, one very troublesome aspect to this notice of motion which prevents me lending support to the hon. member for Edmonton West (Mr.

Lambert). The troublesome clause contains the suggestion that in the future full and detailed reasons for any proposed increase shall be debatable in this house. I can imagine a very long debate in which each member would want to have the opportunity to explain why the particular reasons given for the changes in his constituency are neither right nor justified.

• (5:30 p.m.)

It seems to me, however, that this house has more pressing, urgent and serious matters to consider. There is not enough time at our disposal for us to become bogged down in trivialities, to major in minors. We should in fact count ourselves fortunate that we are spared the laborious effort of having to consider the justification for the boundary lines of 264 constituencies. What member is there who would not argue long and strong that some particular city block, some village or town or some small region does not properly or logically fit into his constituency? The motivations for such reasoning would be many and varied, but among them would be a feeling of hostility for that city block, village, town or small area which happened to be mainly of a political persuasion different from that of the member. How pleasant it would be to attempt to jettison those troublesome voters who live in darkness and have not yet seen the light of our political wisdom.

No, Mr. Speaker this house has no time for such pettiness. The Canadian people expect us to get on with the job of governing. Even now, the proceedings of this house are all too tedious and tardy. Time is propelling us rapidly and irresistibly into the 21st century, yet our nation is still burdened with worn-out laws, and in so many ways we are still basically an underdeveloped nation.

I conclude by saying, let us leave the problems of constituency boundaries to non-political commissions; let us put up with the few illogical or inequitable aspects which trouble us; let us not waste the precious time of this assembly, but rather, let us push on with the job of building Canada into a just and modern nation which is governed in a way that is relevant to the needs of the present and the future.

Mr. Deakon: Mr. Speaker, would the hon. member permit a question?

Mr. Penner: Certainly.

Mr. Deakon: I was wondering whether the hon. member could inform this house how many of the 264 federal constituencies have boundaries equivalent to the provincial counterparts?

Mr. Penner: I am not able to answer that question, except in relation to my own riding. In that area there are three provincial constituencies which touch upon or are included within the federal boundary of the Thunder Bay riding. I cannot answer in respect of the whole of Canada.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I recognize that the hon. member for Edmonton West (Mr. Lambert) has a grievance. In fact, I well recall the expressed feelings of most of the Alberta members of the last parliament about the redistribution map in respect of that province. I think I would only be facing reality if I admitted there was a general feeling on the part of those members that they all had grievances.

The hon. member for Thunder Bay (Mr. Penner) has just reflected the fact that there are other members in the house who likewise have grievances in respect of certain aspects of the boundaries of their constituencies. I must say, however, that I do not agree with the solution to the problem proposed by the hon. member for Edmonton West. We sit near each other and we have to be good friends whether we want to be or not, but I do not like the retrogressive step proposed in this resolution.

It is my feeling that one of the most progressive steps of a political nature parliament ever took was the step we took when we ended 100 years of political, partisan gerrymandering that went on every time we had distribution.

Mr. Lambert (Edmonton West): They only do it a different way now.

Mr. Knowles (Winnipeg North Centre): I was a member of two or three parliamentary committees that engaged in redistribution, so I know something of what that experience is, and I certainly do not want to go through it again. It is a proper procedure that the boundaries of our constituencies should be determined by some body other than the members who run for and seek to represent those ridings, and I hope it will stay that way.

There are one or two things the hon. member for Edmonton West said with which I may have some sympathy, but I must dissociate myself from some of his remarks. He has indicated that he said to the commissioners in

the province of Alberta what he thought of their work. I have to leave to him and the Alberta members what their experience may have been with their commissioners. Perhaps I am one of the fortunate ones. I come from a province where we had redistribution by an independent commission on a provincial basis before this was brought in federally. Not only did we have this take place provincially ahead of the federal scheme, but the same people who were assigned to do the provincial job were called upon to do the federal job. The only change was to add the representation commissioner, Mr. Castonguay. So we had experienced people do the job in Manitoba.

I do not suggest there are not some complaints that members from Manitoba could make, and I do not think any map could be drawn that would be perfect to anyone. But I am prepared to say that the Manitoba division as a result of the last redistribution seems to be about as good as it could be, and as fair as possible to all concerned. I have heard rumblings of discontent in one or two other parts of Canada, but surely that is a small price to pay for getting it established that the boundaries of our constituencies are determined by someone other than the members who are affected, who after all have a conflict of interest.

The hon. member for Edmonton West talked about the way in which these commissioners brought in their reports, as though they were edicts from on high. I suppose that could be said about any commission or body which has been given a delegated authority. Whenever they make their reports they seem to be edicts. But let me point out that these commissions have only the authority given to them by a parliamentary statute. Let me also point out that in the statute we provided that the commissioners had to publish their first or preliminary reports and then hold hearings at which the public might appear and make representations. The fact is that this was done, in all ten provinces.

The hon. member for Edmonton West called for involvement. This is a new word that is used a lot, whether we practise the idea or not. I suggest with regard to redistribution, it is at these meetings where the involvement should take place. It should be the people affected who have the right to appear before the commissions which propose boundaries and suggest any alterations that should be made. Hon. members I am sure will remember that this practice was carried out. In fact it actually was taking place during the time of the federal election in 1965, which was called a little bit soon for the restribution that was then pending.

I attended the hearings that were held in the city of Winnipeg. I took no part and made no contribution, but I attended, showed my interest and listened to the representations made by others. As a matter of fact, I showed my belief in the independence of the commission to that extent. Although I was a candidate in that election I felt this problem was one that belonged to the people themselves, and this is the way it should stay. I am not suggesting that this is the last step toward perfection, or that there are not some changes that could be made, but I think anything which detracts from the principle that an independent body should do the job and anything that would add to the participation of members of parliament in this affair would be a mistake.

• (5:40 p.m.)

Frankly, that is what I dislike most of all about the proposal of my friend the hon. member for Edmonton West, namely his suggestion that the extent to which this matter is debated back on the floor of the house should be increased. He made it very clear, and I give him full marks for this, that he would not give the house the right to order the commissioners to make any changes, but he does ask for more debate on this matter on the floor of the house than we have under the statute as it now reads. The statute now provides that when the commissioners have made their second drawing of the maps, those maps are delivered to Your Honour and we have them before us, and by statute time has to be set aside during which members can make their observations. We cannot make any motions; we cannot make any recommendations: we just make our observations and copies of *Hansard* are sent to the appropriate commissioners.

But if when those second maps were forwarded to Your Honour to be presented to the house there was added to them the reasons in detail for all the changes that had been made, and if the statute were amended to provide for members not just to give their observations but to debate, or in other words to argue on each individual change, each individual reason, I submit that we would be moving back in the direction of the practice of the first 100 years of confederation, namely partisan activity, with respect to a matter that I submit, with all seriousness, is none of

our business. We are elected to represent the people, but surely we do not decide what areas are to comprise our constituencies. That is for people other than us to deal with. I think the arrangement that was arrived at in the debates of a few years ago was a pretty good one.

As I say, Mr. Speaker, I am not arguing that this practice is sacred and cannot be improved in some respects. I am not arguing against my hon. friend's feeling that he has a very real grievance. I suggest that the place to express that grievance is, of course, at the next redistribution, to make sure that he gets to the public hearings of the commission in his province and makes his point there as clearly as he has made it here.

Mr. Lambert (Edmonton West): We made these points there, too.

Mr. Knowles (Winnipeg North Centre): The hon. member says that he made them there, too. All I can say is that the hon. member apparently was not as favoured in Alberta as we were in Manitoba. We had men who were experienced in the matter. The hon. member for Edmonton West suggests that there were political considerations. I would have to dissociate myself completely from that suggestion, at least as far as my province is concerned. The men who filled these posts could have their political pasts identified, and most public people in this country are such that this can be done. Certainly none of the Manitoba commissioners came from our part of the political spectrum. But I think they did a fair, reasonable, responsible and non-partisan job.

I am sure that in future redistributions some of these bugs will be ironed out and some of the problems such as that mentioned by the hon. member for Thunder Bay (Mr. Penner) will be dealt with. I sympathize with him, too. I did a little campaigning against him in his constituency, but I do not think I ever got within 500 miles of the hon. member because the constituency was so huge. These things can be ironed out. But surely the basic principle upon which we have finally agreed after many years is a good one. I believe we should stick with it and should not bring back into the arena or the cockpit of parliamentary debate this matter which belongs to the people of the country, and not just to the members who happen to be here.

Mr. Bigg: Mr. Speaker—

[Mr. Knowles (Winnipeg North Centre).]

Mr. Speaker: Is the hon. member rising to ask a question?

Mr. Bigg: No, Mr. Speaker; I would like to participate in the debate.

Mr. Speaker: The hon. member for Champlain.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, at first glance, it would seem that the motion of the member for Edmonton West (Mr. Lambert) is well founded. However, considering the argument of the member for Winnipeg North Centre (Mr. Knowles), I feel some reservations should be made.

I should therefore like to express, at least, the reactions of the people in my riding with regard to the new electoral map. In my riding of Champlain, there is some astonishment. Indeed, some people did not even realize, before June 25, that they were voting in the Champlain riding only. Obviously—it was to be expected—people cannot adapt to a new situation within a few months.

However, I believe most sincerely that the limits of the Champlain riding were not set up in a scientific and logical way. In fact, I wonder why the recommendations made by the municipalities and the people concerned were not taken into consideration, as in the case of the municipality of Portneuf which made representations to the commission—I think that this cost approximately $2,000 to $3,000—and evidently it did not win its case, so that today, it is annoying for the town of Portneuf to be in the constituency of Champlain. I think it will take many years before people get used to writing "Portneuf, county of Champlain".

Surely this is a striking case. We can see that there is a lack of logic in that, since the twenty municipalities of the county of Portneuf, unsatisfied with the new boundaries, went over to the county of Champlain. I wonder if the people living in those constituencies should not have something to say about it. They thought that some politicking was involved and they decided to have their revenge saying: "Instead of one Créditiste member, we will have two." This is why they voted for the Crédistites in the constituency of Portneuf as well as in that of Champlain.

I wanted to make those few comments to point out that those commissions should take a little more into account the views of the people. The constituency of Champlain extending from Portneuf to Cap-de-la-Madeleine to the south and north as far as

Parent—that is some 250 miles from the river—is far from homogeneous.

• (5:50 p.m.)

The southern part, densely populated, is almost exclusively agricultural, while the northern part has almost no ties with agriculture.

So, this factor should be taken into consideration since homogeneity, to my mind, should be taken into account. The limits should be set up according to demographic criteria and it seems to me they were not respected in this case seeing the Portneuf riding was split in two, giving it a population of 100,000 while that in the neighbouring riding is only 70,000.

Objectively, one wonders whether there may have been some error or other. I therefore agree with the member for Edmonton West in saying that the way the electoral boundaries were readjusted should certainly be looked into.

Let the house discuss that. Of course it must be hard for a member not to look after his own interest. I know that it is very difficult, but we are reasonable enough to set aside narrow political considerations and express ourselves as objectively as possible.

Mr. Gilles Marceau (Lapointe): Mr. Speaker, I am sorry to trouble hon. members a second time today, but it seems that, once the ice is broken, one forms a taste for this sort of thing.

Mr. Speaker, I should like to congratulate the hon. member for Edmonton West (Mr. Lambert) for providing us with the opportunity of discussing this notice of motion.

I see that the members of the opposition—as I have always thought, incidentally—often have excellent ideas, and that the party in power is not the only one to make intelligent and interesting suggestions.

I do not have the experience of the hon. member for Edmonton West, who was a member of the committees which studied this matter. However, in the last election campaign, I realized the importance of the boundaries of a riding and I saw that, in the particular case I am concerned with, they are sometimes illogical.

I had the opportunity to visit mostly the rural areas of my riding and to learn from my electors that they would have preferred to be in another riding. I do not know if it was because they were not for me but in any case, after listening to their arguments, I came to the conclusion that they were right.

Mr. Speaker, I noted that when the boundaries of the ridings are set, no account is taken of regional interests, of the tastes and normal likes of the electors who prefer, for instance, to be in one area rather than in another.

That is why in my riding I have to go to Laperrière, 25 or 30 miles away, at the edge of my riding, when Saint-Ambroise, five miles away, is in the next electoral riding.

Mr. Speaker, here is a solution that may be acceptable. I mentioned it earlier. Federal ridings should coincide with provincial counties.

In my area, there are five provincial counties included in the limits of four federal ridings. This creates great confusion. When we know that provincial and federal election acts are different, this adds to the confusion, and there comes a time when people ask themselves when and where they should vote. They are uncertain.

Mr. Speaker, I was very much impressed by the oratory of the hon. member for Winnipeg North Centre (Mr. Knowles) about whom I had heard for a long time and whose constructive ideas I have had the opportunity to appreciate since my coming to this house. I was very much impressed by what he said about the independence of the commission. I believe this is a factor that has to be maintained at any price. But that does not mean that decisions should be taken without consulting with the voters and the people concerned in order to know if they are interested and if they have any reasons to be listed in such a riding rather than another.

Mr. Speaker, I think that in my riding, they have used arbitrary limits such as a river. The commission has failed to find out if the people really wanted to be in such a riding instead of another and if, by normal attraction, for geographical reasons or through habit, they were going to my riding, for example, to Jonquière, rather than Chicoutimi or Alma.

Mr. Speaker, surely there are no easy or perfect solutions. In my opinion, if the commission had obtained further information from the constituents, I think a more equitable decision would have been reached.

As far as I am concerned, I disagree with the hon. member for Edmonton West when he says there are political undertones in establishing electoral boundaries. I must say that such was not the case for my constituency One part only was annexed to a neighbouring

constituency, whereas part of the neighbouring constituency was annexed to mine without the slightest political motives of discrimination.

Not taking into account my own interest, I must say that many voters have sincerely admitted they were not happy. For strictly practical and business reasons, they would prefer to belong to the other constituency which generally follows the provincial boundaries.

I think that, in the light of my own limited experience, if the boundaries of the federal constituencies were established through an agreement with the provincial governments, this would solve part of the problem.

If an agreement between the parties were reached that would show fewer differences between the federal and provincial legislation, many obstacles would be eliminated.

On concluding my remarks, I wish to say that I completely agree that the commission must be free from interference. However, this sometimes does not preclude the members from voicing their opinions and it is up to the commission to reach conclusions regardless of any political considerations.

[*English*]

Mr. Speaker: The hour assigned for the consideration of private members business has now expired.

BUSINESS OF THE HOUSE

Mr. Forest: Mr. Speaker, with regard to the business of the house tomorrow, I should like to confirm that we shall deal with the estimates of the Department of Labour.

Mr. Speaker: Order. It being six o'clock the house stands adjourned until 2.30 p.m. tomorrow afternoon.

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

HOUSE OF COMMONS

Thursday, November 21, 1968

The house met at 2.30 p.m.

[*Translation*]

COMMITTEES OF THE HOUSE

Third report of standing committee on finance, trade and economic affairs—Mr. Clermont.

[*English*]

First report of standing committee on regional development—Mr. Morison.

[*Translation*]

First report, in French and in English, of standing committee on transport and communications—Mr. Blouin.

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

[*English*]

FISHERIES AND FORESTRY—CONCURRENCE IN FIRST AND SECOND REPORTS

Mr. Guy Crossman (Westmorland-Kent) moved that the first and second reports of the standing committee on fisheries and forestry, presented to the house on Tuesday, October 29 and Tuesday, November 19, be concurred in.

Motion agreed to.

HOUSE OF COMMONS

STATEMENT AS TO WHEREABOUTS OF SOLICITOR GENERAL

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, the whereabouts of the Solicitor General (Mr. McIlraith) has been the subject of some comment both on and off the printed record in this house in the last couple of days. I am happy to assure hon. members that the minister's absence has in no way reduced the effectiveness of his department. Indeed, with the assistance of the agencies for which the Solicitor General is responsible I am pleased to report that I have tracked him down, and I find that a day or two ago in Houston, Texas, he delivered a major speech to the North American Judges Association.

Because of the very great interest of the members of this house in what the Solicitor General is doing I could read the speech he made on the basis of the time taken to deliver it, which was 45 minutes. Alternatively, the speech could be found in the minister's office.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I thought members on this side of the house had made it perfectly clear that the whereabouts of the Solicitor General were not of concern to us, indeed that he was about the only minister about whom we did not wonder where he was most of the time. I do not know what has provoked this explanation by the Prime Minister of the absence of the minister, whose absence does not require any explanation to the house.

Mr. Diefenbaker: It was the Prime Minister who did not know where he was.

Mr. Stanfield: It is a little surprising, Mr. Speaker, that the Prime Minister would feel it necessary to track down the minister. In view of the Solicitor General's discourse in Texas I am wondering whether it is possible that he has gone down there to express the concern of the government of Canada at the civil riots and the possibility of civil disorder in the United States.

Mr. David Lewis (York South): Mr. Speaker, I was not going to take the time of the house to add anything more on this matter, but it seems to me that what the Prime Minister has done is most remarkable. And the language he used, if I may point this out to you, Mr. Speaker, and to the members of the house, was not of the most respectful to a member of his cabinet. If the Prime Minister was merely cracking a joke, then I think I could join him, though I do not quite see the humour; but if he was doing something else to the Solicitor General, then it does not seem to me very charitable.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Just a word, Mr. Speaker. In view of the fact that the right hon. Prime Minister has just stated that the absence of the Solicitor General will in no way affect the administration or reduce the effectiveness of the services rendered by this department to the house and the country, I simply want to ask him why a solicitor general was appointed, when it is proved by the right hon. Prime Minister himself that there is no need for one?

Inquiries of the Ministry

TRADE

TABLING OF LETTER FROM JAPANESE AMBASSADOR TO CANADA WITH REGARD TO QUOTAS

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, with the permission of the house, I should like to table a copy of the letter dated November 18 from the Japanese Ambassador, informing the Minister of Finance (Mr. Benson) of the restraints being applied by the Japanese Government on exports of certain products to Canada during 1968. These restraints are being applied by the Japanese government following consultations between representatives of the Japanese and Canadian governments.

If the house approves, I propose that the Ambassador's letter be printed as an appendix to today's *Votes and Proceedings.*

• (2:40 p.m.)

[*English*]

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

[*Translation*]

Mr. Chrétien: In past years, Japan's restraint levels have been increased by a modest amount to permit orderly expansion of Japan's exports to Canada. Early this year, in consulting with the Canadian producers concerned, as we do each year, the government was informed that Canadian textile markets were seriously depressed. Investigations established that many sectors of the Canadian textile and garment industries are indeed experiencing difficult times. I am glad to be able to say that the Japanese government, recognizing these difficulties, has agreed to increases for 1968 that are, generally speaking, smaller than has been the case in recent years.

I should add that there have also been discussions with the Japanese authorities regarding the level of their exports to Canada of polyester/cotton fabrics. As honourable members will see, these fabrics are not included in the list of products subject to specific levels of restraint. However, I have been advised that the Japanese government intends to keep a close watch on the level of exports of these goods to Canada. We are keeping this particular matter under constant review.

[Mr. Caouette.]

[*English*]

FOOD AND DRUGS ACT— NARCOTIC CONTROL ACT— CRIMINAL CODE

AMENDMENTS RESPECTING CONTRACEPTIVE DEVICES, RESTRICTED DRUGS, ETC.

Hon. Donald S. Macdonald (for the Minister of National Health and Welfare) moved the first reading of Bill No. S-15 (from the Senate), to amend the Food and Drugs Act and the Narcotic Control Act and to make a consequential amendment to the Criminal Code.

Motion agreed to and bill read the first time.

PUBLIC SERVICE

LANGUAGE REQUIREMENTS RESPECTING FUTURE APPOINTMENTS AND PROMOTIONS

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question I would like to direct to the Secretary of State but in view of its importance I wish to direct it to the right hon. Prime Minister. Is it now the policy of the Public Service Commission that a knowledge of both official languages will be a requirement for appointment to executive and administrative categories in the public service by the year 1970, and by the year 1975 in respect of promotions within the service?

I ask this question in view of the Prime Minister's own earlier remarks regarding a willingness to learn the second official language as the case may be, as contrasted to an actual facility in that language.

Mr. Robert Stanbury (Parliamentary Secretary to Secretary of State): Mr. Speaker, I shall be glad to inquire from the Public Service Commission concerning the matter raised by the hon. gentleman.

Mr. Stanfield: Mr. Speaker, I have a supplementary question related to this question and arising from questions asked in the house on October 23 and on a subsequent date by myself and the hon. member for Peace River. Could the Prime Minister tell the house what decision he has reached with regard to a request from the Professional Institute of the Public Service of Canada for a meeting with the Prime Minister to discuss Bill No. C-120?

Right Hon. P.-E. Trudeau (Prime Minister): I have not yet had a report on this. I shall find out what the status is.

UNITED NATIONS

CANADIAN VOTE ON RESOLUTION RESPECTING RED CHINA

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I should like to ask the Prime Minister how the Canadian delegation, on instructions from his government, voted on the Italian resolution to send the question of the admission of China to the United Nations to a study committee.

Right Hon. P.-E. Trudeau (Prime Minister): As I understand the question it is as to how we voted. We abstained on that question. We felt that the establishment of a committee was a tactic which would result in delay in action on the matter. Because we want to be in a position on this question, as on others, and to be able to act freely if as a result of our review that is what we decide to do, we preferred to abstain rather than submit the whole question to a committee as suggested by the Italian resolution. That resolution would, perhaps, have the effect of delaying our own possible actions.

Mr. Lewis: In view of the Prime Minister's frequent reiteration of his hope that he may be able to establish diplomatic relations with Peking, and that mainland China might be admitted to the United Nations, is our abstention on this resolution this year not something which may be misunderstood in view of the fact that last year we supported a similar resolution?

Mr. Trudeau: Precisely because we supported this resolution for the past two years we have abstained this year to mark an orientation of this government away from a path which might be interpreted as a path of delay in the United Nations, and in order to clear ourselves for any action we might wish to take.

Mr. Lewis: Would the Prime Minister inform the house whether in doing so the Canadian representatives made clear to the United Nations Canada's intention and hope that mainland China would be admitted to the United Nations under proper conditions?

Mr. Trudeau: This was made clear two years ago by Hon. Paul Martin in his speech to the United Nations. It was repeated again this year by the Secretary of State for External Affairs.

[Translation]

CANADIAN CONSTITUTION

QUEBEC—PROPOSED CHANGE IN NAME OF LEGISLATIVE ASSEMBLY

On the orders of the day:

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, everyone learned yesterday that the Quebec government is about to change the name of the legislature to that of National Assembly of the province of Quebec. According to the Prime Minister, is there any constitutional objection to this new name and could he tell us his reaction to this report?

Right Hon. P.-E. Trudeau (Prime Minister): As to my reaction, Mr. Speaker—and that may spare me the trouble of answering the first part of the question, which is a legal question—I think that the province of Quebec considers doing what it has a right to do under the constitution, that is amend its own provincial constitution, with the exception of the office of lieutenant governor.

As far as the name is concerned, Mr. Speaker, I do not think there is cause for alarm. The province of Ontario has also changed the name of its legislature by calling it the parliament of Ontario. The name of the members of the Ontario provincial legislature have also been changed, I believe, and they are now members of the provincial parliament. Therefore, those matters do not worry me very much; what concerns me though is what this change means.

Mr. Gilbert Rondeau (Shefford): Since two provinces seem already to be contemplating changes in their legislature or their legislative council, does the federal government intend to make changes in the Senate?

Mr. Trudeau: Mr. Speaker, considerable changes are now under way in that place, under the distinguished leadership of the former Secretary of State for External Affairs (Mr. Martin), but as far as definite proposals are concerned, I think that will have to wait until the next federal-provincial conference, when that matter can be discussed.

Mr. Gérard Laniel (Beauharnois): Mr. Speaker, I have a supplementary question for the Prime Minister. In view of the name of National Assembly, does the Prime Minister not feel that such a step is the consecration of what many Canadians think, that there is only one nation in Canada, namely the Canadian nation?

Inquiries of the Ministry

Mr. Caouette: Mr. Speaker, I wish to ask a supplementary question.

I know that the Prime Minister is not very much concerned by the term "Assemblée nationale", but from the international point of view, from now on should the federal members from Quebec not be called "international members?"

[*English*]

FINANCE

STUDY OF CONTROL OF FEDERAL EXPENDITURES

On the orders of the day:

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, in view of the statement by the secretary of the Treasury Board to the Canadian Tax Foundation this week that "the federal government has tended to neglect studies of whether money spent on its programs is being used as effectively as possible, or whether even the programs are needed—", will the Prime Minister indicate whether the government intends to take steps to correct this situation so it may better control its already very large expenditures?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I note that the quotation referred to the past; that the government had in the past neglected—. I presume the gentleman was referring to what might have happened from five to ten years ago; but as to what is happening now, these examinations are under way as I have already said in the house.

Mr. Hees: Is the right hon. Prime Minister not aware that in his statement the secretary of the Treasury Board was using the present tense in describing the situation that exists today?

Mr. Speaker: Order, please.

[*Translation*]

AIR CANADA

WINNIPEG—REQUEST FOR STATEMENT REQUESTING OVERHAUL BASE

On the orders of the day:

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I should like to put a question to the Minister of Transport.

It was reported this morning that the Minister of Transport and some of his officials have met with the president of the Q.F.L., Mr. Louis Laberge. I would like to ask him whether he has some comments to make and what were the subjects discussed with the labour leader?

[*English*]

Hon. Paul Hellyer (Minister of Transport): I was not in attendance at any such meeting, Mr. Speaker. I will have to take note of the question and find out who, if any, of my officials met with the gentleman. I was busily occupied elsewhere. I am not sure if there was such a meeting. If there was I missed something.

[*Translation*]

Mr. Asselin: I should like to ask a supplementary question, Mr. Speaker, concerning the Air Canada base at Winnipeg and Montreal.

A parliamentary committee made up of Liberal members from Quebec and Manitoba issued a press release saying they had—

Mr. Speaker: Order. The hon. member should ask his question.

Mr. Asselin: —arrived at an honourable compromise. I should like to ask the minister if he can tell us today which honourable compromise his department has to offer Manitoba and Quebec members with respect to the Air Canada base?

[*English*]

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 have a question I should like to direct to the Minister of Transport. When may the house expect a reply to starred question No. 616, which has been on the order paper since October 30? I ask this question because the answer to most parts of the starred question is a simple yes or no. The minister's estimates are before the transport committee, and we must have a reply to the question in order to intelligently ask questions in the committee.

Hon. Paul Hellyer (Minister of Transport): I hope soon, Mr. Speaker. The estimates of the Department of Transport will be considered tomorrow by the committee of the whole house, and I would be glad at that time to discuss this question with my hon. friend if he would like to do so.

AIRPORTS

TORONTO—PROTESTS AGAINST EXPANSION OF FACILITIES

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I would like to ask the Minister of Transport a question regarding the matter I previously brought to his attention, in connection with the 160,000 residents of the borough of Etobicoke, the town of Mississagua, and Chinguacousy. There has been a declaration by the Department of Transport that interference with residential development should be avoided. Therefore I ask the minister, has it been brought to his attention that if this expansion of the airport is proceeded with there are dozens of schools in that area which will require soundproofing at a cost of more than $200,000? In the borough of Etobicoke it has cost the board of education $624,600 to soundproof three schools to meet present levels of noise.

Mr. Speaker: Order, please. A question should be for the purpose of seeking information, rather than giving information to the minister.

Mr. Diefenbaker: Sometimes, Mr. Speaker, you have to tell these ministers. However, this minister is not one of those. Would the minister say now that there is some hope for these people, under the circumstances I have pointed out, and others, of the government proceeding with a second airport, as has been the course followed in Montreal?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I indicated on a previous occasion that at the time the announcement was made last summer the major expansion of the Toronto international airport to the west would be conditional upon the proper land use zoning by the municipalities involved, and with the co-operation of the provincial government to the extent that it was required. Since that time a number of meetings have taken place at the technical level to determine the answer to this question. They are still continuing. I understand that there are one or two more still to be held. The information which is being produced there by interested parties is being accumulated to be made available to me. I hope to be in a position to take a look at it very shortly, and to determine at that time whether the basis upon which this proposition was first made is realizable.

Mr. Diefenbaker: Mr. Speaker, would the minister also say that in addition to technical considerations, the human element, the rights of human beings in that area, will be fully considered and that their representations will be considered?

Mr. Hellyer: Very much so, Mr. Speaker. I would like to take this opportunity to say that these have been very forcefully brought to my attention over a period of weeks by the Toronto Liberal members of parliament—

Some hon. Members: Hear, hear.

Mr. Hellyer: —before my right hon. friend really involved himself in this question. I can assure him that in addition to the aspects related directly to transportation and economics, the very legitimate—

Mr. Nielsen: Political?

Mr. Hellyer: No—the very legitimate concerns of the people of that district in so far as their quality of life is concerned will be very much taken into account.

Mr. Diefenbaker: Does the minister not know that the reason I brought it before the house was that these members, whatever representations they may have made, made them silently?

Mr. A. D. Hales (Wellington): Mr. Speaker, my supplementary question is for the Minister of Transport. When he is trying to arrive at a decision on this very serious and important question of the Malton airport, would he give serious consideration to the possibilities of the Wellington-Waterloo airport?

Mr. Hellyer: Mr. Speaker, I would be glad to do so if my hon. friend could give me an assurance that as that growing metropolitan area continues to expand, there would be no objections to the noise resulting from airport expansion in that place.

[*Translation*]

QUEBEC—INQUIRY AS TO CONSTRUCTION IN EASTERN TOWNSHIPS

On the orders of the day:

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to refer again to international airport and direct a question to the hon. Minister of Transport.

Would the hon. minister tell us whether agreements were entered into between the Quebec government and the Ottawa government in this respect and, if so, are the negotiations completed?

Inquiries of the Ministry

Hon. Paul Hellyer (Minister of Transport): Not yet, Mr. Speaker, but I hope they will be soon.

Mr. Fortin: I should like to ask a supplementary question, Mr. Speaker. The hon. member for Trois-Rivières (Mr. Mongrain) made a statement early this week indicating the negotiation of those agreements was completed—

Mr. Speaker: Order. The hon. member must ask a question.

Mr. Fortin: Now, Mr. Speaker, I ask the hon. minister whether he is aware of the statement made by the hon. member for Trois-Rivières indicating that—

Mr. Speaker: Order. The question, as asked, is out of order.

[*English*]

WINNIPEG—REPORTED LACK OF HANGAR SPACE

On the orders of the day:

Mr. Robert Simpson (Churchill): I have a question for the Minister of National Defence, but in his absence I will direct it to his parliamentary secretary. In view of very urgent requirements this winter for aircraft hangar space at the Winnipeg international airport by a number of local and regional aircraft operators, will the minister make a thorough examination into the possibility of providing hangar space for these operators in the armed forces hangars which apparently are not being used to their full capacity by the armed forces?

Mr. Speaker: The hon. member is making representations to the minister rather than asking a question. I assume the representations have been noted.

Mr. Simpson: I rise on a point of order, Mr. Speaker. I asked the minister to look into the possibility of providing hangar space for these operators.

FINANCE

CANADIAN ASSISTANCE TO FRANCE IN MONETARY CRISIS

On the orders of the day:

Mr. Max Saltsman (Waterloo): Mr. Speaker, I should like to direct my question to the right hon. Prime Minister and ask him whether the government of France has made representations to the Canadian government for assistance in the defence of the franc; and if so, what has been the reply of the Canadian government?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I know of no such representations that might have been made to my government by the government of France. As to our reply, I can only say that this is a hypothetical question.

Mr. Saltsman: On a supplementary question, Mr. Speaker, I was wondering whether the government is prepared to take initiative in view of the serious difficulties in which the French government finds itself. Is it prepared to take a charitable initiative and offer its assistance to the French government?

Mr. Trudeau: Does the hon. member mean something like proclaiming "Vive le franc libre"?

Mr. Knowles (Winipeg North Centre): Touché.

Some hon. Members: Oh, oh.

Mr. Saltsman: I have a supplementary question, Mr. Speaker. Aside from the Prime Minister taking that kind of initiative, which might or might not be welcomed in France, I was wondering whether the Prime Minister can inform the house when the Minister of Finance will be returning, and whether the minister will be prepared to make a full statement on his representations in Europe.

Mr. Trudeau: Mr. Speaker, the minister had expected to come back here after a day, but he is staying on because the discussions are continuing. I can only add that in matters such as these the position of the European currencies is of concern to all of us. I indicated yesterday that there is no reason for worry about the Canadian dollar—it is in a better position than it has been in a long while—but we do not take the position that what happens to European currencies is of no concern to us. We approach this matter very seriously, and we do not want to make any gesture or any statement which might prejudge the outcome of these very delicate problems.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, would the right hon. Prime Minister not agree that for the government of Canada to make any such statement as "Vive le franc libre" would be an unwarranted intrusion in the affairs of France?

Mr. R. Gordon L. Fairweather (Fundy-Royal): I have a supplementary question, Mr. Speaker. I wonder if the right hon. Prime

Minister would consider relieving the pressure on the French franc by accepting the undertakings in the cultural field that France has made to New Brunswick, Manitoba and some other places?

WATER RESOURCES

ST. MARY'S RIVER—ACTION RESPECTING POLLUTION

On the orders of the day:

Mr. Maurice Foster (Algoma): My question is for the Minister of Transport. In view of the report of the International Joint Commission on pollution in the St. Mary's river, does the minister plan to take any action against the shipowners who are polluting this river by dumping waste into it?

Mr. Speaker: Order, please. I wonder whether the hon. member might not consider the possibility of discussing that question at the time of adjournment.

DOMINION-PROVINCIAL RELATIONS

INQUIRY AS TO ACTION RESPECTING OFFSHORE MINERAL RIGHTS

On the orders of the day:

Mr. Erik Nielsen (Yukon): My question is for the Prime Minister. On November 4 I asked a question concerning offshore mineral rights, and in his reply the Prime Minister referred to the fact that the anniversary date of the decision of the Supreme Court was very near. That has passed, it having been November 7. He also said:

> —I hope that on or around that anniversary certain proposals will have been made to the provinces.

I wonder if any such proposals have yet been made, and if not, when we might expect a statement.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I am planning to be in a position to make such a statement after next weeks' cabinet meeting. This is my expectation, and I hope I will be able to adhere to my plan.

AGRICULTURE

REPRESENTATION ON STEERING COMMITTEE FOR FORTHCOMING CONGRESS

On the orders of the day:

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a question for the Minister of Agriculture. Could the minister indicate whether consideration is being given to the appointment of a representative from either the federation of agriculture or the national farmers' union to the steering committee that is now planning the agricultural congress to be held in Ottawa early next spring?

Mr. Speaker: Order, please. I think the question should be placed on the order paper. If, however, it is considered sufficiently urgent to be debated now it can be brought up at the time of adjournment.

HOUSE OF COMMONS

INQUIRY AS TO RETURN OF DEFENCE MINISTER

On the orders of the day:

Hon. J. A. MacLean (Malpeque): I should like to ask the Prime Minister when the Minister of National Defence will have completed the duties he is carrying out at the present time, and when we may expect to see him back in his place in the house.

Right Hon. P.-E. Trudeau (Prime Minister): He is supposed to be in the house next Monday and the days following.

AIR CANADA

INQUIRY AS TO APPOINTMENT OF PRESIDENT

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I have a question for the right hon. Prime Minister. About two weeks ago the right hon. gentleman told the house that he would make an announcement concerning the presidency of Air Canada within two weeks at the most. That time has now about expired and I was wondering if the right hon. Prime Minister could make the announcement now.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I am happy to announce that I hope the announcement will be made Tuesday by the board of Air Canada which, under the statute, is empowered to make the announcement. I am looking forward to that announcement with great expectation.

Hon. Robert L. Stanfield (Leader of the Opposition): I have a supplementary question, Mr. Speaker. May I ask the Prime Minister whether the board of Air Canada is making the appointment, or whether the government of Canada is making it.

Mr. Trudeau: Mr. Speaker, the hon. member is asking me for an interpretation of the

statute, and as such, I suggest, the question is not in order.

LABOUR CONDITIONS

IMPLEMENTATION OF RECOMMENDATIONS OF FREEDMAN REPORT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to direct my question to the Minister of Labour. In view of the undertaking that was given by his predecessor, that the Department of Labour would act upon the recommendations of the Freedman report, can the minister tell us what his department has done along these lines with respect to the impending lay-offs at Windsor?

Hon. Bryce S. Mackasey (Minister of Labour): The estimates of the labour department will be before the house at the end of the question period, but I might reassure the hon. gentleman that any doubts I had on the philosophy of the Freedman commission report were dissipated by the action of the Ford Company, and I will strongly recommend to my colleagues some legal action along the lines of the Freedman report.

INDUSTRY

CAPE BRETON—PENSION AGE OF DEVELOPMENT CORPORATION EMPLOYEES

On the orders of the day:

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a question for the Minister of Forestry and Rural Development arising from the intention of the federal crown corporation known as Devco—and I would like to make this clear as the minister does not seem to understand it—to impose compulsory retirement at the age of 60 in the Cape Breton coal industry. Is it the policy of the government in this case to follow collective bargaining in that industry as it relates to retirement and pension programs?

Hon. Jean Marchand (Minister of Forestry and Rural Development): I understand that negotiations with the unions are still continuing on this subject.

Mr. MacInnis (Cape Breton-East Richmond): I have a supplementary question, Mr. Speaker. In view of the fact that the minister had the report available on his desk for quite some time before it was tabled, did he not study it, and does he not see the ambiguity in the report with regard to the actions taken by Devco?

[Mr. Trudeau.]

Mr. Marchand (Langelier): Well, Mr. Speaker, it seems very clear to me.

Mr. MacInnis (Cape Breton-East Richmond): I have a further supplementary question. In view of the very considerable experience the minister has had in the labour field, does he not recognize a violation of a general agreement when he sees one?

CONSUMER AFFAIRS

MILK—PROPOSED PRICE INCREASE IN ONTARIO

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): I have a question for the Minister of Consumer and Corporate Affairs. In view of yesterday's announcement of a rise in the price of milk to Ontario consumers, will the minister consider ways and means of protecting the further erosion of the nutritional levels of low income consumers?

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

[*Translation*]

INQUIRIES OF THE MINISTRY

On the orders of the day:

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I would like to direct a question to the Minister of Manpower and Immigration.

Could he tell us what has happened to the ship that he arranged to be brought and anchored in the river during the election campaign, in front of the Lauzon shipyards, to have major repairs done to it and thus to give work to hundreds of families at Lauzon?

Mr. Speaker: Order. The hon. member should place his question on the order paper.

Mr. Rondeau: Has it been discarded or saved for the next election?

[*English*]

Mr. Louis-Roland Comeau (South Western Nova): I should like to direct a question to the Prime Minister. Now that the Prime Minister has made a thorough investigation as to—excuse my language—where in the hell the member for Burnaby-Seymour is, and where in the hell the minister is, can he now answer my question?

Hon. George Hees (Prince Edward-Hastings): I have a question for the Prime Minis-

ter. Does the government expect in the near future to make an announcement regarding the employment of Mr. James Tucker, in view of the fact that all other defeated Liberal members of the last parliament have been given cushy jobs?

DRUGS

HEROIN—REPORTED STATEMENT AS TO DISTRIBUTION

On the orders of the day:

Mr. P. B. Rynard (Simcoe North): I have a question for the Minister of Justice. In view of the alarming statement by an R.C.M.P. spokesman that the hippy world has become an important distribution centre for heroin, a dangerous and rapidly habit forming drug, would the minister inform the house if this matter is now being given his consideration?

Hon. John N. Turner (Minister of Justice): Yes indeed, sir.

FINANCE

INQUIRY AS TO FLOATING EXCHANGE RATE

On the orders of the day:

Mr. John Burton (Regina East): I wish to address my question to the Prime Minister. In view of recent developments in world monetary affairs and the strength of the Canadian dollar as referred to by the Prime Minister, will the government now give consideration to a floating exchange rate, or a modified form of a floating exchange rate?

Right Hon. P.-E. Trudeau (Prime Minister): Heavens no, Mr. Speaker.

Hon. Robert L. Stanfield (Leader of the Opposition): Then will the Prime Minister give me the assurance that in future when he boasts of the strength of the Canadian dollar he will be sure to touch wood?

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a supplementary question with regard to the monetary crisis in Europe.

Can the right hon. Prime Minister tell us whether, as we heard yesterday, Japan has decided to supply or guarantee a billion dollars to France to support the franc?

Mr. Trudeau: No, Mr. Speaker, I did not hear that.

PUBLIC SERVICE

REQUEST FOR INCREASED APPOINTMENTS OF FRENCH CANADIANS

On the orders of the day:

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to put a question to the right hon. Prime Minister.

Yesterday, in Hull, Mr. Yves Labonté, commissioner of the Public Service Commission of Canada, called for a massive ingress of French-speaking people in the public service. I should like to ask the right hon. Prime Minister whether he shares this opinion and, if so, whether this will be possible in the near future?

Mr. Speaker: Order. The question, as put, is out of order.

[*English*]

THE CANADIAN ECONOMY

PRINCE EDWARD ISLAND—INQUIRY AS TO DEVELOPMENT PLAN

On the orders of the day:

Mr. David MacDonald (Egmont): My question is for the Minister of Forestry and Rural Development. In view of the great interest in Prince Edward Island, I wonder whether the minister could tell us how soon we might expect this comprehensive development plan of the government of Canada to be signed?

Hon. Jean Marchand (Minister of Forestry and Rural Development): As soon as possible, Mr. Speaker.

AGRICULTURE

INQUIRY AS TO ALTERNATIVE FOR P.F.R.A. PROGRAM

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): My question is also for the Minister of Forestry and Rural Development. Is the government phasing out the P.F.R.A. program and, if so, what alternative scheme is planned to fill the growing demand for regional development?

Hon. Jean Marchand (Minister of Forestry and Rural Development): We are not phasing out the program, Mr. Speaker.

TRADE

WHEAT—ABILITY TO MEET EXPORT COMMITMENTS

On the orders of the day:

Mr. Stan Schumacher (Palliser): I have a question for the Minister without Portfolio

from Saskatchewan. On November 7 last, in reply to a question by the Leader of the Opposition, he promised to inquire into the fulfilling of export commitments by the Canadian Wheat Board. Can he now state whether these commitments are being filled on schedule, and can he further say whether the Canadian Wheat Board is presently negotiating with the Soviet union about taking up its option under the long term sales agreement with that country?

Hon. Otto E. Lang (Minister without Portfolio): I will not reply to the latter part of the question, Mr. Speaker, on the grounds previously stated by myself and the Minister of Industry, Trade and Commerce. The commitments of the wheat board and deliveries of wheat are being fulfilled. The movement of grain from elevators to the terminals is up very significantly over last year, to the extent of 47 per cent in the period from October 1 to November 7.

Right Hon. J. G. Diefenbaker (Prince Albert): I have a supplementary question for the Minister without Portfolio from Saskatchewan. In view of his very optimistic statement as to the shipments of wheat to terminals, can he explain why it is that the 3 bushel quota still applies generally? At the same time will he inform us whether, if I may use a police expression, he has tracked down the number of Canadian freight cars in the United States that might be brought back to Canada?

Mr. Lang (Saskatoon-Humboldt): I am sure the quota is being opened in as orderly a fashion as possible, with damp grain being given special consideration. The figures I quoted concerning increased loadings of box cars for grain at 47 per cent compares, in the same period, to an increase in the loadings of cars toward the United States to the extent of 23.2 per cent. The railroads therefore seem to be increasing their loadings in all directions at the same time.

Mr. Diefenbaker: May I ask the minister a supplementary question, still using the police term of "tracking down". Has the wheat board tracked down the number of freight cars in the United States that might be made available in Canada if pressure were applied to United States railroads?

Mr. Lang (Saskatoon-Humboldt): I have some difficulty in answering. The wheat board considers the railroads are co-operating fully with them with regard to the movement of grain.

[Mr. Schumacher.]

Mr. Diefenbaker: I have a supplementary question on the subject of co-operation. I ask whether there has been any endeavour to find out the number of box cars in the United States which should be back in Canada but are kept there by United States railroads because it is cheaper to pay the fee on them than endeavour to secure other cars. Does the minister not have an answer to that?

Mr. A. P. Gleave (Saskatoon-Biggar): I have a supplementary question. Is the Minister without Portfolio aware that a great deal of difficulty exists in western Canada because the elevators are plugged with damp grain, and there are not sufficient cars available to move it?

HARBOURS

INQUIRY AS TO COMPLETION OF DECENTRALIZATION STUDY

On the orders of the day:

Mr. J. P. Nowlan (Annapolis Valley): I have a question for the Minister of Transport. Has the minister had time over the week end to study the report on National Harbours Board decentralization, as he indicated he would; and could he table that report so it could be referred to the transport committee?

Hon. Paul Hellyer (Minister of Transport): I have a confession to make, Mr. Speaker.

Mr. MacInnis (Cape Breton-East Richmond): I have been waiting for it for a long time.

Mr. Hellyer: I did not manage to get all the way through it on the week end, but I still feel it should be referred to the transport committee. I hope to be able to confirm that to my hon. friend very soon.

[*Translation*]

TRADE

EXPO 70—GUARANTEE OF PAYMENT OF CANADIAN PERFORMERS

On the orders of the day:

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I wanted to direct a question to the Minister of Industry, Trade and Commerce but, in his absence, I shall put it to the right hon. Prime Minister, in view of its importance. I should like first to advise the Prime Minister of the assignment in bankruptcy made by Mr. Samuel Gesser, the impressario now responsible for—

Mr. Speaker: The hon. member cannot give information and he should ask a question.

Mr. Valade: Mr. Speaker, I should like to ask the Prime Minister what steps he intends to take so that the costs of performances and exhibitions which will take place at the Canadian pavilion in Osaka at Expo '70 will be guaranteed by the government, in view of the fact that Mr. Samuel Gesser has been declared bankrupt and that the said Samuel Gesser has now been placed in charge, by the Canadian government, of the recreational activities of the Canadian pavilion in Osaka?

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

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

In view of the urgency of the matter and the fact that Mr. Gesser, business director who was declared bankrupt yesterday, is responsible for the recreational activities at the Canadian pavilion in Osaka, could the minister give us the assurance that measures will be taken so as to ensure that the artists will be paid?

[*English*]

FREIGHT RATES

MARITIME PROVINCES—REQUEST FOR DELAY IN PROPOSED INCREASES

On the orders of the day:

Mr. Charles H. Thomas (Moncton): Mr. Speaker, my question was for the Minister of Transport. I understood he would be here for the question period, though I do not see him now. I will direct it to his parliamentary assistant. Since it now appears that the standing committee on transport and communications will not resume its hearings in the Atlantic provinces before spring, will the minister, the acting minister or the parliamentary assistant please undertake to guarantee that the freeze on freight rates will be continued until a complete study of the problem has been made?

Hon. James Richardson (Minister without Portfolio): Mr. Speaker, I will be pleased to take that question as notice.

Mr. J. P. Nowlan (Annapolis Valley): A supplementary question, Mr. Speaker. While the Minister without Portfolio is checking the answer to the previous question with the Minister of Transport, will he also see whether the minister has any confession to make about the Digby-Saint John Ferry, since an announcement on that is long overdue?

Inquiries of the Ministry

HOUSE OF COMMONS

REPORTED INTENTION TO ESTABLISH OUTSIDE ADVISORY GROUPS

On the orders of the day:

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Prime Minister. On November 8 last I asked him a question concerning the establishment of regional desks and a body of 150 extra-parliamentary advisers. The Prime Minister said that he would inquire into the matter. Has he done so, and can he give the house his answer?

Right Hon. P.-E. Trudeau (Prime Minister): Yes, Mr. Speaker. I have inquired into it. What was it the hon. member wanted to know?

Mr. Broadbent: An answer to my original question, Mr. Speaker.

[*Later:*]

Mr. Broadbent: Mr. Speaker, since the Prime Minister obviously has a bad memory when it comes to looking into matters, may I help him by reading the original question he failed to answer?

Mr. Speaker: Order, please. I must point out to hon. members that the question period has expired. The hon. member for Oshawa-Whitby should raise his point tomorrow. I shall make sure he is recognized tomorrow early in the question period.

GRAIN

WHEAT—INQUIRY AS TO INTRODUCTION OF TWO PRICE SYSTEM

On the orders of the day:

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, on Monday last I directed a question to the Minister of Industry, Trade and Commerce or to the Minister of Agriculture. At that time the Prime Minister advised me that those ministers would be in the house on the following Wednesday. May I now direct my question to the Minister of Agriculture. In the light of the clear-cut call by delegates who attended the annual meeting of the Saskatchewan wheat pool for a two price system for wheat, will the government give favourable consideration to this request or some other acceptable alternative?

Hon. H. A. Olson (Minister of Agriculture): Well, Mr. Speaker, this is a question that has been discussed on the Canadian grain scene

for a number of years and the government has given some consideration to it, and is continuing to give consideration to it.

Mr. Southam: A supplementary question, Mr. Speaker. In view of the serious market situation that now faces Canada with regard to short sales, does the minister not consider that it will be more appropriate than ever for the government now to give serious consideration to this matter.

BUSINESS OF THE HOUSE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the government house leader. In view of the congestion that is being felt in the operation of our standing committees and in view of the great amount of work there is for them to do in the next little while, would the government house leader consider asking parliament to take one or two days off in the middle of next week so the committees may have those full days to meet and proceed with their work?

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I will be very glad to consider the suggestion, but the hon. member and opposition house leaders might consider whether they are prepared to give up two of the present session's supply days for that purpose.

Mr. Speaker: Order. I must bring to the attention of hon. members that the question period has expired, but perhaps there might be consent for the hon. member for Peace River to ask a question.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, may I ask the government house leader what our business will be for next week, so we may have an opportunity to peer as far ahead into the future as possible.

Mr. Macdonald (Rosedale): Yes, Mr. Speaker. Today, as the house knows, we shall be in committee of supply to deal with the estimates of the Department of Labour. Tomorrow we shall deal with the estimates of the Department of Transport. On Monday we shall call the estimates of the National Capital Commission. On Tuesday, on one of our supply days pursuant to the special order made by this house on November 6, we shall deal with the report of the committee on external affairs and national defence having to do with the question of Nigeria. On Wednesday we shall return to the estimates of the Department of Public Works. It will be my intention to call the committee of supply again for Thursday and Friday of next week, the subject matter before the committee to be discussed with hon. gentlemen opposite. There is a possibility that we may deal with some of the estimates which have already been considered in committee, or perhaps we shall consider the suggestion of the hon. member for Winnipeg North Centre.

SUPPLY

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

The Deputy Chairman: Order, please. House again in committee of supply on the revised estimates of the Department of Labour for the fiscal year ending March 31, 1969. Vote No. 1 will be found at page 264 of the blue book, and the details thereof at page 266.

DEPARTMENT OF LABOUR

1. General Administration, including grants as detailed in the estimates, $1,962,100.

Hon. Bryce S. Mackasey (Minister of Labour): Mr. Chairman, this is the first occasion I have had to present the estimates of any department to this house. I welcome the opportunity not only of explaining what my department is doing but also of course, of listening to the observations and views of hon. members from other parties in the house as well as from my own party.

I point out at the beginning of my remarks that the estimates of the Unemployment Insurance Commission were referred to the standing committee and have been dealt with by that appropriate committee and accepted.

Earlier in the session, during the throne speech debate, I had an opportunity to express my philosophy and views on the collective bargaining system that prevails in Canada. I detailed the record of successes of that system in the areas under federal jurisdiction and pointed out that of the 100-odd cases that had been referred to the Department of Labour where strikes could possibly have ensued, there were strikes in only six cases, only two of those being of major consequence.

I would be misleading the house if I suggested that changes are not needed in the legislation concerning industrial relations. It is no longer sufficient to react to situations. Rather, we must anticipate them. We must

initiate and encourage a much greater degree of communication between labour and management. My department must make sure that labour and management appreciate that they are not natural enemies but, rather, natural partners. In the final analysis the private enterprise system which provides dividends for company shareholders also provides the jobs for our ever-growing labour force as well as the standard of living to which many of us have become accustomed.

There is much activity these days in the department, Mr. Chairman. In anticipation of the Woods Task Force report officials of the department are reviewing existing legislation, preparing new laws and evaluating new concepts in order that we may take advantage of this report and the enlightened approach I hope it will have to the labour problem of today.

• (3:30 p.m.)

I believe, Mr. Chairman, that my department must lead; it must encourage labour and management to co-operate more fully. It is my belief that the time has come for the establishment of a new mediation service, a mediation branch composed of experts, experts supported by a proper team of researchers with a detailed knowledge of the industries coming within the federal sphere. I believe that this type of expertise will be of invaluable service to management and labour. These experts could introduce a degree of continued communication between management and labour that should reduce the areas of friction and supply the assistance needed to make collective bargaining more meaningful.

Until the Woods task force report is tabled, Mr. Chairman, hon. members can understand my reluctance to discuss at this time the many changes in detail that I believe are necessary if my department is to assume its full role in the just society of tomorrow.

I have had an opportunity while reviewing my department to acquaint myself with many of the problems facing Canada and Canadians today, problems that in some direct or indirect way concern or should concern the Department of Labour. I am concerned, for instance, about work stoppages and disputes that are prolonged far beyond the point where anyone stands to gain. I am concerned about the lack of communication within the trade union movement itself, as evidenced by the increasing number of cases where the general union membership has failed to ratify agreements entered into by its own leadership.

I am concerned that quite often this failure to ratify agreements is the direct result of the negotiating team presenting exorbitant and extravagant demands. The same union leaders then wonder why the rank and file reject the negotiated settlement after they have irresponsibly built up the anticipation of their membership.

I am not suggesting that exaggerated demands are the only reason for the rejection of negotiated settlements, but they certainly are a contributing factor. I think that in the main responsible union leaders will agree with me that they must communicate more effectively, more reasonably with their membership and impress upon them the fact that wage increases cannot consistently outstrip productivity without eventually bringing about a reduction in the standard of living. I am not at all surprised when the public expresses indignation on learning through the news media that a union is demanding a 15 or 20 per cent wage increase per year.

I am also concerned about the welfare of that third segment of Canadian society—not management, not the unions, but the unorganized worker and the senior citizen, people on fixed incomes, the blind, the crippled, the disabled, people who are not represented at the bargaining table. I often wonder when management divide up the profit between dividends and increased salaries whether they should not stop to think if some of these exorbitant or large profits should not reflect lower prices, whether there should not be a greater social awareness of the responsibility of organized labour as well as of management to the unorganized segment to which I have already alluded.

Ability to pay must not be the only criterion for settlement at the bargaining table. There is a growing social responsibility resting on both Canadian management and unions, and I suggest to them that they begin to demonstrate a greater consciousness of this responsibility.

I would like to speak very briefly on the work of conciliation boards. Over the years conciliation boards have served the public of Canada well in settling, or making recommendations which assist in the settlement of, labour disputes. They continue to serve and have done very effective work as recently as the current fiscal year. However, I am disturbed at a growing practice that seems to prevail, namely that when a conciliation board has failed to settle a dispute it then

submits a report containing no recommendations, in effect returning the issue to the protagonists with no guide lines or suggestions whatsoever, and which quite often reflects a minimum of effort by the board to resolve the dispute.

I am not unaware that this action is often requested by the parties, but regardless of arguments which may be advanced in favour of this tactic, it seems to me it reflects an abdication of responsibility on the part of the chairmen of such boards and the representatives of management and labour.

On the whole, Mr. Chairman, I am proud of the contribution made by conciliation boards, but I can foresee the day when the appointment of a board in labour disputes may become the exception rather than the rule. This will mean an expanded role for our conciliation officers and should impress upon the parties the necessity of reaching an accommodation at the conciliation officer stage.

Members might forgive me if I devote some time at this stage of my remarks to the question of automation, of technological change, and of the growing and pressing need for increased productivity in Canada.

There was a time, of course, when increased productivity was a simple matter: one supplied his help with a larger shovel or a bigger wheelbarrow. But today increased productivity is synonymous with technological change, with automation, with sophisticated methods of production. Because of our great reliance on exports to maintain our standard of living and to absorb our ever-growing labour force, we must accept and indeed seek out these advanced methods of production if we are to compete with such countries as West Germany, Japan, Sweden and the United States.

We talk about a just society. A just society, to this Liberal at any rate, means a society where medicare is a right and not a privilege, a society where decent housing is not a luxury but a necessity, a society with a decent standard of living for those less fortunate among us. I refuse to accept the concept that a country like Canada, with its tremendous assets, raw materials, highly skilled labour force and free enterprise system, cannot afford these things. To be unable to provide these things to our citizens can only be described as a failure of the system we endorse in this country. I suggest the free enterprise system is on trial in Canada and must measure up to the challenge of supplying these rights. The solution is not in the elimination of medicare or other social measures that have made Canada synonymous with an enlightened attitude toward its people, but in rallying our energies, our imagination and our confidence so that the programs can be paid for and carried forward by the fruits of increased productivity.

We must constantly remind ourselves that in many of the nations that we compete with the degree of co-operation that is now needed in Canada, but is lacking at the moment between labour and management, and the amount of planning that is needed not only between labour and management but with government as well, are already a way of life. Indeed, Mr. Chairman, in Japan it is almost a religious cult.

Canadian workers when trained and provided with equal opportunities, equal equipment, equally efficient management and equal markets can meet the production of any industrial worker in the world. But if increased productivity depends on our willingness to accept technological change—and I believe it does—then we must be prepared to face squarely the disruptive forces that technological change creates. Management, of course, accepts quite readily technological change, and why not? In most cases it means survival in an ever-increasingly competitive world. In many other instances it means a greater margin of profit.

• (3:40 p.m.)

But the acceptance of technological change is still resisted and indeed feared by certain segments of our labour force. Upon reflection, Mr. Chairman, why not? Balanced against the realization that these changes are necessary is the realization by labour that all too often the disruptive forces of technological change are borne solely by the labour class. Why is it always the individual Canadian worker who must bear exclusively the terribly personal and disruptive effects that quite naturally stem from technological change? Surely this cannot be accepted as inevitable, as just, in this year of 1968. Canadian society and its government cannot be so passive, so unconcerned as to accept as part of the game this human disruption.

The Canada-United States auto pact is a perfect example of how management fails to understand its moral obligations to its workers. When close to 500 workers were notified last week—I think that fortunately the figures are now 388—that they were to be laid off by the Ford Motor Company in Windsor, they

were given precisely one week's notice, one week to adjust mentally to the impact of lay-off, one week to seek out help and advice from the Unemployment Insurance Commission and from the manpower centres, to find out if they qualified for additional benefits or, in too many cases, if they qualified for any type of benefit. I believe that management cannot expect the respect of labour and the full co-operation that is needed unless it begins to assume the moral obligation that technological change and increased productivity involve. I think the time has come for the Minister of Labour to convince his colleagues that legislation defining and emphasizing management's responsibility to its employees in the area of technological change is long overdue.

Some hon. Members: Hear, hear.

Mr. Mackasey: Mr. Chairman, the philosophy of Judge Freedman and others like Judge Laskin is clear and precise. There are ways and means of introducing negotiation on technical change without usurping management's right to manage. I am committed to such legislation and am waiting to see what the Woods task force may offer as a method of solution in this very senstitive but highly important area.

Perhaps, Mr. Chairman, I may be allowed to turn to another area that comes under the Department of Labour and which is of growing concern to all Canadians. That is the problem of prejudice and discrimination in the working force of Canada. To me this is an intolerable situation, and we cannot excuse it on any grounds whatsoever. As long as it exists it means that we have Canadians who, in effect, have a special set of working conditions imposed upon them regardless of the laws we pass to equalize rewards and opportunities. A review of existing legislation in my department indicates to me that some substantial amendments are required, and this will be done after careful analysis of the recommendations of the royal commission on the status of women.

Some hon. Members: Hear, hear.

Mr. Mackasey: There are people in this country who have been discriminated against for so long that they have begun to discriminate against themselves, to limit their own aspirations because they cannot conceive that the better opportunities, the better way of life, could be for them also. This is a loss to Canada, a loss to our labour force which we can ill afford.

With the intent of fighting prejudice through positive action we have recently set up a branch in the department that intends to enforce as vigorously as possible the Canada Fair Employment Practices Act and to amend it so as to make it more effective. In the meantime officers of this branch have been touring Canada educating employers to the fact that the Department of Labour will not tolerate prejudice based on colour, religion or national origin. To make this campaign effective will require the full support of the unions of this country, as well as the full support of my cabinet colleagues and, I am sure, of all my colleagues in the house.

Above all, Mr. Chairman, I think it is time that the federal government and the crown corporations be model employers, examples for others throughout the country.

Some hon. Members: Hear, hear.

Mr. Mackasey: Now, Mr. Chairman, not being aware as precisely as I should of my role in this discussion of estimates I would conclude by reminding the committee once again that I will not be deterred from my determination to make the Department of Labour a reflection of the new spirit of co-operation and communication that is so badly needed in this country. I will not hesitate to arm it with the legislation it requires to make it an effective instrument, not of labour, not of management, but of the people of Canada, people who are entitled to maximum effort on the part of labour, of government and of management to seek the solutions to increased productivity, to industrial peace and to a just society.

Although most of my remarks today have concerned the department's role in industrial relations and fair employment practices, it will be obvious to hon. members, when we consider the details of the votes, that the department has many and diverse responsibilities and programs. These include the Canada Labour (Standards) Code, the Canada Labour (Safety) Code, the program of the women's bureau, the labour-management consultation program, the annuities branch, and an expanding program of economics and research, just to mention only a few. All of these elements will be caught up in the revitalization and re-positioning of the department to play its optimum role in today's society. To do what I believe must be done will require changes in the structure of the Department of Labour, both in Ottawa and in the various regions, to improve internal communications and flexibility of operations so that it

can respond better to public needs and priorities.

Above all, I want to bring the Department of Labour and its services as close as possible to the community it serves. I want to make it more sensitive to the needs of that community. And I want it to become more actively involved as a true partner of management, labour and the public interest.

I believe, Mr. Chairman, that there is no room in the statute books of Canada for compulsory arbitration. I think we can achieve the type of industrial peace needed to make this country prosperous by co-operation among the government, labour and management. This is the dedication which I have and with which I shall approach my role as Minister of Labour.

Mr. Stanfield: Mr. Chairman, I did not have the slightest intention of taking part in this discussion except that it seemed to me—and I hope the minister will accept this as not being offensive—that he has lectured everybody else and so he might not mind a slight lecture from me directed toward himself and his colleagues. If I understood him correctly he was rather critical of unions, at least of some trade unions, for asking too much in the way of wage increases. I think this is in part due to the inflation psychology in this country and the fear of the working men of what they will be faced with in connection with rising costs of living. I suggest it would be more helpful if members of the government, including this minister, would spend less time lecturing the public in this connection and do a little more themselves to bring inflation under control.

For example, since I have been in this house we have had optimistic statements of activity from ministers of the government, beginning last fall. Last winter, in the depth of the crisis in which the government found itself, the then prime minister gave some assurance on new measures that were being taken, but no action has followed. Since then we have been promised a white paper with regard to an anti-inflationary program and we are still waiting for it. In all seriousness I suggest, Mr. Chairman, that a lecture from the Minister of Labour is a pretty poor substitute for a constructive program from the government.

Mr. Knowles (Winnipeg North Centre): Does the Leader of the Opposition not think it was a good idea for the minister to lecture his own colleagues as to the improvements that ought to be made on that side of the house?

Mr. Stanfield: I do not think he spent enough time lecturing his own colleagues. I think he spent too much time lecturing the public and I am suggesting to him, and through him to his colleagues, that a little more by way of example on their part might be more productive than some of this lecturing that is going on.

Mr. Mackasey: Mr. Chairman, I remind the Leader of the Opposition that since we are dealing with estimates I might spend a little time lecturing him before we are through.

Some hon. Members: Hear, hear.

Mr. Crouse: A very arrogant Minister of Labour.

• (3:50 p.m.)

Mr. Stanfield: Well, Mr. Chairman, my hon. friends down here have so very little to applaud that I do not object to their reacting to that kind of bravado on behalf of the Minister of Labour. I am always delighted to receive any good wishes or anything else he may care to pass my way. However, I believe in all sincerity it is high time the government carried out some of its assurances concerning anti-inflationary programs rather than lecturing members of the public for reacting in the light of their own fears respecting continued inflation.

The minister spoke about the need to anticipate developments and the need for improved methods of achieving industrial peace. We will look forward to hearing about these, presumably following the Woods report and further reflection on the part of the minister. I for one will await them with very keen interest because again I say that we hear these things but see very little action.

The minister spoke of the importance of increased productivity. He stated that in a country like ours we ought to be able to finance enlightened social measures and that we must place the necessary emphasis on productivity in order to achieve these necessary measures. I agree with this unquestionably but I suggest to him, sir, through you, that when one talks about productivity one must not only lecture management and labour but must remember that it is also a question to a considerable degree of having an enlightened government policy. A continued increase in productivity, for example, requires an adequate standard of government services in the field of education throughout our various provinces. I suggest to him that the very hard

line he and his colleagues have adopted with regard to the provinces and the effect that this line, if maintained, will have on the services related to productivity which the provincial governments must provide in this country, will have a very unfortunate effect in respect of increasing productivity in Canada.

I suggest it is not merely free enterprise which is on trial in this regard; it is also the government of this country which is on trial. In order to achieve the necessary standard of government services throughout the country a degree of co-operation is required rather than a hard line which amounts almost to dictation from the federal government. It is necessary for the two levels of government to achieve some understanding in connection with priorities rather than have one level of government simply resort to lectures.

The minister spoke about discrimination. I certainly share his concern and disapproval of any discrimination which exists. Unfortunately it does exist in this country. He referred particularly to discrimination based on race, religion, creed or something of that sort. People in one part of the country may feel there is discrimination because they happen to live in a certain part of the country. I am sure the minister also has this in mind. I should like to suggest that discrimination cannot be eliminated simply by the passage of legislation to ban discrimination. If in this country we are to achieve the elimination of discrimination, which as I see it really amounts to achieving something like equality of opportunity, much more than anti-discriminatory legislation is required. I suggest we must have a very well oriented program working toward something like achievement of equality of opportunity involving education, the overcoming of traditional handicaps and the overcoming of discrimination, if you like, which results from poor housing. All these things have been mentioned by a good many Canadians.

I point out that discrimination of this kind certainly will not be overcome simply by any legislation the minister may have in mind. Again it is essential, if we are too make any real progress in respect of overcoming discrimination in this country, that the government be prepared to work out an effective system of co-operation with the provinces so that the government can work together with the provinces to overcome discrimination.

Before I sit down I should like to say that if the government continues to pursue the hard line it is taking, what we will see will not be the elimination of discrimination but rather a vast increase in discrimination in this country.

Mr. Broadbent: Mr. Chairman, I welcome the minister to his new portfolio and wish him well in his work. He gives every indication of being a man who is dedicated to the well-being particularly of the labouring people in this country and also, as he says, all Canadians. I only hope that the legislation he supports, both in the house and more particularly in cabinet, will lead to the realization of the principles in which he says—and I believe he does—he believes.

Earlier this afternoon he gave some indication that, from the point of view of those of us in this party at least, he is clearly moving in the right direction. I refer of course to his attitude in respect of the Freedman report. Having said that, I should like to take this opportunity to raise briefly two matters of policy orientation to which I should like the minister to give very careful consideration.

First I should like to say a few words about unemployment. I hope the Minister of Labour will concern himself with what is almost certain to be in store for us during the coming winter. If past and present trends continue we will experience one of the worst winters in recent years. It was not many years ago that economists considered a 3 per cent unemployment level as the absolute maximum for any advanced industrial society that wished to maintain any kind of civilized existence. At no time in the past three years, however, have we had a national unemployment level as low as 3 per cent. In the Atlantic provinces the lowest quarterly level was 5.8 per cent. That was in the spring of 1966. Again, considering the national average, if we begin with the first quarter of 1966 and look at the succeeding quarterly levels of unemployment we see a continuous increase, with not one quarterly decline, from 3.3 per cent in the winter of 1966 to 5.1 per cent for the third quarter of this year.

These figures are bad enough, but they are even more alarming when they are broken down into regions. For example, unemployment in the Atlantic provinces during this same period increased from 6.7 per cent to 8 per cent and in Quebec from 4.7 per cent to 6.5 per cent. Again we get a more precise picture of the deplorable level of unemployment for an advanced industrial society by looking at the peak winter months. In the Atlantic provinces in January, 1967, 9.9 per cent of the labour force was without work. In January, 1968, the figure was 10.9. Now, given

the increase of unemployment this year over last, it would not be unreasonable to forecast that unemployment in the Atlantic provinces will reach a level of 12 per cent or 13 per cent this coming January.

• (4:00 p.m.)

I could go on producing these alarming figures from the Dominion Bureau of Statistics but I think my point has been made. We in Canada are experiencing an alarming level of unemployment and the government, far from introducing programs aimed at alleviating the situation, is actually aggravating it. First, we received the announcement that the winter works program was to be abolished. Then we had the Minister of Finances' conservative chamber of commerce budget, the main effect of which will be to reduce even farther the level of employment. Not content with cutting back on government spending, the Minister of Finance imposed a new regressive tax. By reducing both government and private purchasing power the minister did just about all he could to maximize unemployment levels during the coming winter. I mention unemployment during the discussion of the labour department's estimates because it should be a major responsibility of the Minister of Labour and, of course, the minister of manpower to get their cabinet colleagues to do something about the alarming situation.

While I am on this matter, Mr. Chairman, I should like to ask the minister if he would produce for the house his department's unemployment forecast for the coming winter. I should like him to present figures for each of the provinces and for each of our major cities.

I should like to take this opportunity to say something about what is probably the central issue of an industrial society, namely, the relationship between capital and labour, between the few who own our industries and the many who work for them.

I think I may be saying something with which the minister will find himself in substantial agreement. It is clear that in Canada today it is as true as it ever was that when the worker faces his boss, whether in the form of owner or manager, he does not do so as an equal. The emergence and development of trade unions in Canada in the past decades have substantially improved the position of the worker. Provided he is a member of a union, he no longer can be fired at the whim of his employer; nor are his wages and supplementary benefits at the low level they would otherwise be. Notwithstanding these tangible and important benefits, Canada's unionized workers, not to mention the majority who are not union members, are not and cannot be in a position of equality with their employers. If they were, each would have the same say in production decisions, in policies involving the allocation of capital, and in discussions concerning the nature and price of the product.

No serious student of industrial relations would claim that labour and management are on equal ground in these areas. Indeed, most people accept almost as a self-evident truth that they should not be equal in respect to these matters. Decisions about production, the allocation of capital, and the nature and price of the product, according to the prevailing ideology quite properly belong to the owners or their appointees, the managers. The men who own the shares, it is argued, not only have the final say about what goes on in the factory but, as well, it is proper that they do so. Unfortunately most people in Canada think this way.

So long as this situation and attitude prevail, Mr. Chairman, it is a mockery of reality to assert as many do that management and labour are partners in industry. Those who use the phrase imply that there is a state of equality between the two. Such a phrase is part of that political vocabulary whose purpose is not to elucidate reality but to obscure it. It is used by those who seek to persuade us that the basic structure of the existing economic order in Canada is a just one. We must not be taken in, Mr. Chairman. The central structure and its entailed power relations of our economic system are unequal; they are unjust.

In one sense the history of the trade union movement in Canada can be seen as an attempt by our workers to break down the barriers to equality. They have sought to make inroads on the so-called rights of management. They have sought to have more control over their own day to day lives. The most recent example of this struggle for equality is the attempt to have some say in the introduction of new technology and work practices in industry.

At present in Canada our workers are entirely dependent upon the whim of their employers. During the course of a signed contract management can introduce a new machine or an alternative practice whose effects might be devastating for the workers. Workers can do nothing about them from a legal point of view.

Why is this? The reason, Mr. Chairman, is that the main thrust of Canadian labour law makes it so. Most arbitrators in labour disputes have based their rulings on the residual rights theory of industrial relations. What this theory means is that an employer retains the rightful power to do whatever he wishes with his business enterprise except with regard to those rights he has specifically yielded to a union in a written contract. It also means that the trade unionist can do only what is precisely stipulated in the contract. Unless a union can indicate that the relevant contract forbids some activity, whether it be a re-arrangement of time schedules or the introduction of automated equipment, management can do what it wills. Unless the contract specifically permits the worker to do something, he can do nothing.

Obviously even the most ably led union is not clairvoyant. It is impossible to tell in advance what new production technique management might introduce during the duration of the contract. Not having this knowledge, no union can make the required specific contract demands in advance.

Furthermore, unlike the situation in other industrial nations, for example, in the United States and the United Kingdom, in Canada unions do not have the right to strike during the period covered by the contract. If during this period they object to some new practice, they must resort to arbitration. Most arbitrators, as I indicated—there are exceptions—rely on the residual rights theory. Consequently, as one labour expert, Mr. Ed Finn, observed recently, "99 times out of a hundred" the union loses in disputes in this area.

For many years now the unilateral power bestowed on the owners of industry by the residual rights principle has meant thousands of Canadian workers have been badly treated. They have lost seniority rights, their jobs, and on occasion even their community. Their lives, in short, have been profoundly and adversely affected by this principle. It is a remarkable fact that Canadian workers are feeling its impact and are beginning to demand a share in the decision-making process. All Canadians, whether in unions or not, should note and be proud of this fact. What workers are beginning to say is, we should as human beings have more control over our destiny and over day to day issues that affect our lives. Can anyone deny the moral legitimacy of that claim?

Three years ago Mr. Justice Freedman presented a report on labour relations to the government of the day. As many of us know, his report arose out of an investigation into a wildcat strike by thousands of Canadian National Railways employees. The workers had been objecting to unilateral action by the management of Canadian National Railways. As we all know, and as successive Liberal ministers of labour have known for three years, Mr. Justice Freedman made some crucial and, I think, beneficial recommendations. Among these were, first, that the residual rights theory in arbitration matters be discarded; second, that management be obliged to negotiate all major work changes with the unions; and third, that unions be given the right to strike during the period of time covered by a contract.

• (4:10 p.m.)

It is a sad fact that the government which brought the Freedman report into being chose to ignore it, as have subsequent governments. It is even sadder that three successive ministers of labour have, at least hitherto, done nothing about it. The present Minister of Labour, in a speech delivered on October 8 in Toronto, expressed agreement with Mr. Justice Freedman, as he did earlier today. In that speech of last month he said it is "clear that big business today has a moral responsibility, before introducing technological changes, to make sure these changes cause the minimum of disruption, that they are revealed soon enough to make certain that employees have the time and opportunity to adjust to these changes." The Minister of Labour went on to say that he hoped "this moral obligation becomes more and more apparent to management."

I ask you, Mr. Chairman, where was the moral obligation of the Ford Motor Company which informed hundreds of workers just a few days ago that within a week they would no longer have a job? Is this any way to treat a working man? It does not matter at what level of society he is or what occupation he follows; this is no way to treat a human being. This is immoral behaviour, not moral responsibility. Are we in Canada to wait for the moral regeneration of the directors of the Ford Motor Company? We might just as well wait for the second coming, Mr. Chairman. The Minister of Labour and the Minister of Manpower and Immigration are apparently genuinely quite angry with the Ford Motor Company with regard to this matter. I hope their anger is sufficient to lead to government action.

If we had always taken the advice of our past and present ministers of labour we would never have passed a good deal of the social and labour legislation in this country. If moral exhortation worked we would never have needed trade unions in the first place; we would not now require minimum wage laws. The list could be extended almost without limit with regard to labour and social welfare measures. We simply cannot rely upon the good will of people to do what ought to be done.

The present Minister of Labour has been wrong to rely in the past upon the voluntary co-operation of industry. The fact that a few employers have agreed to negotiate work change clauses in their contracts with unions in no way counters the need for mandatory law in this area. It will take far too long for all our unionized workers to receive the right that justice requires if we wait for the will of all employers to be tested. If we do this, we will be waiting for a very long time.

I am near the conclusion of my remarks, Mr. Chairman. Perhaps the most significant recommendation of the Freedman report is that workers be given the right to strike during the period of a contract. This right is long overdue. As I said, it now exists in most other industrial countries. It is important if the other right recommended in the Freedman report, the right to negotiate work changes during the contract, is to have any meaning. Unless workers have the right to strike during the course of the contract they will make almost no headway in negotiating work changes during the contract period. Therefore this is, if you like, the key recommendation; workers must have the right to strike during the period of a contract.

The decisive issue for Canadian labouring men and women in the years ahead is whether or not they are to cease being among the manipulated instruments in the productive process. They must not become the victims of technological change. Rather, we need laws that will allow them to continue their struggle for control of their own fate. The immediate implementation of the Freedman report would be a step in this direction.

[*Translation*]

Mr. Dionne: Mr. Chairman, a great many matters come to mind in the course of this debate on the estimates of the Department of Labour, such as the working conditions of those lucky enough to hold a job during the present unemployment crisis, a proper balance between equitable salaries and the rising cost of living, the search for methods to allow the greatest possible number of workers to find suitable jobs, the necessity of keeping up with the evolution of modern techniques in the production of necessary goods with the least physical effort, and the role of the trade union movement in present-day society. Much could be said on many subjects which are all related to labour.

Unless one completely lacks a sense of observation, one must recognize that everything that has been done in the world has been done by labour, organized or not. The unfortunate thing today is that this whole army of workers is too often faced with problems of crisis, strikes, unemployment, automation or taxes, to mention only a few.

We seem to have forgotten that work is not the be-all and end-all of life, but rather a means of ensuring for the worker a decent standard of living and a normal stability thanks to the equitable division of responsibilities among everybody.

The direction of an important department such as the Department of Labour involves great responsibilities and requires the cooperation of impartial and competent advisers. I sincerely wish the present minister the health and clear-sightedness necessary to find the most appropriate solutions at the proper time.

• (4:20 p.m.)

We are too easily content with a good word here and there when work is being discussed, which leaves the impression that we accept it as a necessary evil of the human condition. Yet, work often contributes to shaping, and often, to saving man. Work gives him, with dignity, the freedom which ennobles him.

The working man usually pursues various goals. First of all, he wants to earn a living for himself and his family. He wishes to be independent, self-sufficient. He feels less of a man when he depends on others in a way that is not legitimate. Because man is reasonable, he derives a certain satisfaction from doing something for himself. The worker is proud to be someone, to accomplish something and to help others. He wants to have a place in the world. He is proud of being useful. Through his moral interest and brotherly help, he contributes to the expansion of civilization.

It is normal for a worker to aspire to belonging to a labour group that cares about his needs and favours the progress of society as a whole, working efficiently towards its various goals.

At the present time, the worker is struggling with a difficult situation. There are three possible solutions. The first is the capitalistic solution: benefits for the few, toil and sweat for the others. The second is the collectivist solution: benefits for the State, toil and sweat for all men. The third is the Christian solution: benefits for all, toiling by all. Sharing, that is what we need.

Business, formerly moral, has now been replaced by business morals. Indeed, a solution to labour problems and economic life as a whole is sought in the advice given to everyone: make as much money as possible, maximize profit at the lowest possible cost, to allow limitless competition.

This is what happens: The merchant sells at the highest possible price, while purchasing at the lowest, and he often earns three or four times more than the one who labours to produce.

Management tries to purchase raw materials at the lowest possible cost, and to pay the lowest possible salaries while trying to sell goods for the best possible price.

The worker often tries to work as little as possible and at times—which is unfortunate—as little as possible while trying to get the highest salary possible. This cannot go on. The class struggle is an egotistic struggle, and an autocratic, over-powerful state could not solve our problems. What is needed is an economic order inspired by social justice, having the same regard for business prosperity and fair wages, while taking the legitimate interests of the consumer and the seller into consideration.

In our modern world, virtually no one can produce alone all the goods needed for one's keep. Labour is partitioned to a degree, and increasingly specialized, which contributes to an abundant over-all production.

Would we be stupid enough, with all the modern means available to us, to proclaim ourselves unable to distribute our own production? Experience has shown that we have very good reasons to advocate the means which we know: the Social Credit. Though obviously not a panacea, it certainly is a step in the right way. If our politicians know of other means, let them apply them without delay because a great percentage of our people are tired of this succession of strikes, of battles between unions, of an inoperative labour legislation.

It is easy to see that our legislative system lacks flexibility in the field of labour management relations. Those long delays with regard to negotiations and the renewal of collective agreements show without any doubt that the system is unhealthy and when many conflicts arise too many physicians who seem unable to agree on a cure gather around the sick bed.

I recall that Dr. Marius Barnard, the brother of the famous South African surgeon Christian Barnard, who had successfully completed a heart transplant operation, put it very aptly and briefly in those words: A new heart to change a heartless world.

We often find that we only react fleetingly to the many cases of misery resulting from job insecurity, insufficient income, the fear of tomorrow which is often the root of many disorders. We seem unable to abolish misery through a more equitable distribution of responsibility.

As I said at the beginning of my remarks, I will deal, if I have time to do so, with the problem of unemployment, the terms of the regulations of the Unemployment Insurance Act, the centralization of offices and other matters concerning the workers.

I would like to mention now the disastrous results of the ever increasing number of strikes which have become more popular than the miniskirt. Today some workers—even students, the workers of tomorrow—seem under the impression that to be hip they must stage their own little strike. They should stop however and think about the end result, even if they are hip. The helm must be kept steady, should a storm come up.

A few strikes here and there are nothing unusual. But when the industry or the services are paralysed so long and so often, something has gone seriously wrong.

This leads me to quote from an article which is worth thinking over. It was written by Father Yvan Morin and published in a newspaper of our area, *Le Saint-Laurent,* in February 1967, under the title "Have we all gone mad or are we totally immature?" It reads partly as follows:

> Even today, strikes seem a necessary and legal means, but the fact that we have to resort frequently to that ultimate means is indicative of the climate of immaturity in which we live.
>
> It is necessary and legal for policemen to carry a gun, but the day when they will use it casually will be a dark day indeed; either we will have become a nation of gangsters, or policemen will be irresponsible.
>
> The proliferation of strikes reveals either a craving for economic dictatorship within the industrial world or unreasonable demands on the part of union members. We must realize that we all have rights and obligations, that we are all each other servants.

Supply—Labour

One of the major malaises today, stems from the fact that little store is set by government authority. Is it then not worthy of respect? Do we no longer understand the meaning of authority? Anyhow, the government cannot boast of the part it has played in labour disputes—

Looking more closely at the situation, we find that there are various kinds of strikes which we may divide into four categories.

First, there are strikes that could be called "backlog" strikes, because of strained relations between employers and workers, and also because of the practice of always of waiting until the strike is called before taking a decision.

The second type of strikes are the prestige strikes; as a matter of fact, some people derive great satisfaction in proclaiming they have won a battle even at the expense of the workers.

The third class comprises political strikes; unfortunately some sectarians seem to gloat over long drawn-out strikes, quite obviously to embarrass political parties which have not always taken their suggestions to seriously.

• (4:30 p.m.)

In the fourth place, the necessary strikes, those that are spontaneously approved by the majority of workers, after all honest means of persuasion have been used up. If we had to put up with strikes of that type only, things would look much brighter.

The important thing is to locate the numerous causes of misunderstanding and to steer labour legislation towards the protection of the rights of the weak, of the small people, of the poor, of all those who need that protection most. Let us note, by the way, that complicated laws often breed confusion.

It is to the advantage of workers that present and future labour leaders should know about their rights and duties so as to preserve those rights and fulfill their duties.

The education of workers must be directed by union leaders conscious of their responsibilities, in a realistic spirit of understanding, working like partners for the development of the country. Their efforts must not be limited to those of simple pressure groups interested in their own material profits, to the prejudice of national, provincial or municipal interests.

It is normal for union leaders to fight in order that their members might receive a fair economic retribution; they must also keep in mind the interests and the needs of the whole country and use their authority with a vision of the future and for a social purpose.

[Mr. Dionne.]

Any responsible observer will admit that unions have sprung from a need which is still making itself felt. Having been a union member for several years, as well as the president of local 2817 of the Quebec Brotherhood of carpenters, woodworkers, lumbermen and sawmill employees for 10 years—from 1952 to 1962—I make no bones about saying that to my mind a strike is not the natural and easy way to smooth out difficulties in relations between management and labour. Only through a complete lack of imagination could one think that a series of mistakes can be cancelled by a new set of planned errors. The parties concerned should listen to reason and act like adults. In a democratic country, every citizen can state his views and can even hope that they will be respected; however, he should show sufficient understanding for the ideas of others.

People are struggling to obtain salary increases to catch up with the missing dollars without worrying too much where they come from, who controls them and how their value is determined. What is the use of earning $3 or more an hour if a dollar is only worth 35 cents?

This is a problem of the distribution of wealth, purchasing power, work and leisure time. Some order must be brought about in this inefficient financial system.

Let us imagine here a problem of distribution among children. There are two apples to be shared among ten children: the strongest one will win the fight and get the apples. In the case of two apples to be divided among ten children having some money, the highest bidder will win, provided he is under police protection. However, when there are fifteen apples and ten children, every child will have one and everybody will be satisfied.

This sums up the present crisis. We are acting like children.

The purchasing power must be re-established on the basis of demand and the value of wealth, while taking into account that energy consuming work is gradually replaced by machines. The worker craves for money in order to earn his living and that of his dependants. He should be treated fairly so that he does not have to walk around carrying slogan-bearing signs.

The present application of our labour legislation is lacking in flexibility and appears powerless to intervene in the increasing number of disastrous strikes affecting the country's economy. Therefore, we, of the Ralliement Créditiste, recommend that additional

powers be included in the labour legislation to implement the establishment of an impartial and "genuine labour tribunal" made up of representatives of labour, management and government.

This tribunal, made up of experts in the field of labour management relations, would have to have the proper powers and information to be able to:

(1) Avoid interunion conflicts, by establishing a specific and clear procedure in order to determine, through secret ballot, under the supervision of two members from the tribunal, the right to representation of the workers by a union in good faith;

(2) Determine a period of negotiations not exceeding 90 days, and establish severe penalties for those who do not observe the rules;

(3) Make a proper assessment of the business or service returns, taking into account risks, monetary reserves required for the upkeep of the business, tax deductions and procedures resulting from taxation rules;

(4) Determine, when needed, a job classification that would take into account the responsibilities of each class of workers, a salary range commensurate with the business or service potentialities and measured according to the cost of living index;

(5) Require that all strike votes be taken by secret ballot, under the supervision of two members of the labour tribunal, and that the strike be deemed legal only if it has been accepted by 50 per cent plus 1 of the business' employees, and only after all other means of conciliation have been exhausted.

(6) Guide negotiations in the field of public services in such a way as to determine salary adjustments on an hourly rate basis for all those whose salary is under $5,000 a year.

I have met so many railway employees, especially temporary gangs, who were greatly annoyed with the government's decision to have them return to work under practically unchanged conditions, while in their case particularly, they are low wage-earners who get an increase on a percentage basis, which does not suit them. And yet, it seems to me that it was so easy to understand the situation. I see the hon. minister is nodding. I trust that, in a similar situation, he will find the appropriate words to say at the right moment to try and improve this situation.

As to the co-operation between workers and employers, the government must inform people on the best methods existing to maintain harmonious relationship. A great deal of practical work is already being done in this field and I strongly support the efforts of the department in this direction.

In many industries, it should also be possible to encourage through appropriate legislation employers who feel inclined to promote participation of employees to the company's benefits, by allowing them to become co-owners or associates, which would create a climate of encouragement.

Before concluding my remarks, I would like to point out a very important matter of concern to a great number of workers of my area who work in the United States. Unfortunately, no agreement has been reached as yet with four American states, especially those which are adjacent to our area, New Hampshire and more particularly, Maine. The hon. Minister of Labour (Mr. Mackasey) should take into account the representations we have been making for a very long time.

I remember that, a few years ago, a member of the opposition even staked his seat in order to accelerate the settlement of this problem. I therefore think that it would be only fair that the thousands of Canadian workers who are employed in the United States—and who, in a way, by doing so alleviate the problem of unemployment at home—should benefit from an adequate formula. Such a formula must exist, and I think that if we really try, we shall find it. We shall then be able to give those people the opportunity of getting unemployment insurance benefits when they come back to Canada, once the lumbering operations are over.

• (4:40 p.m.)

There is also, nowadays, the famous problem of centralization of the offices of the Unemployment Insurance Commission. In our area, in particular, pressures are exerted in that direction so as to avoid as much as possible this kind of centralization. This should bring abbout the results which we are expecting, because we would have the advantage, as we have had in the past, to meet understanding people. In fact, the enforcement of unemployment insurance regulations which change rather often, is a source of problems. I understand the difficulties faced by the civil servants and I know many of them who are very nice and who try to do their jobs as conscientiously as possible. However, the fact remains that in the light of the regulations arising from the existing legislation, methods are changed every year to the point where the workers cannot keep abreast of all those changes. Therefore, having submitted a

claim in proper form, they find it very difficult to get their benefits.

I am aware of this problem. In fact, hundreds of workers come to see me every year, especially during the unemployment season, asking me to help them find a solution. I think that it would be very important to look at this field most carefully.

Therefore, I rely on the co-operation of the minister to find the necessary solutions.

Mr. Thomas (Maisonneuve): Mr. Chairman, the discussions on the estimates of each department give every Canadian the opportunity to get more interested in the economic affairs of Canada, and to allow more particularly the members to express their opinions on some subjects. As a member, I take a great interest in the expansion of the Canadian economy, and as a representative of the Montreal area and the working class, I am more particularly concerned with the growth of the Montreal harbour.

Indeed, Montreal has the greatest harbour in Canada. Therefore, it is possible to appreciate the importance of its commercial activities. The importance of Montreal harbour is related, in the first place, to its geographic position. This port plays a key role in the international trade of Canada and in the distribution of its imports, while it is a stopover for shipment of our products to foreign countries and for the distribution of our imports.

I take an active interest in Montreal harbour as an essential factor in the vitality of our economy, as an incentive for Montreal trade and as an employer of many residents of my riding. For these three reasons, I think it is essential that Montreal harbour, in its efforts to expand its activities, should arouse the interest of all members and be able to rely on their support.

However, conditions in Montreal harbour are not satisfactory. Indeed, it has been noted for some time that the harbour does not operate at full capacities. We can discuss the various factors that have led to such a situation, but I think there is one that is recognized by all, and that is labour relations which impair the efficiency of the harbour. This has, in fact, led to the work stoppage of 1966. The government then took a practical step to deal with these problems and instituted to this end the Picard commission of inquiry. The report of the commission contains many recommendations dealing with labour relations. It put the blame for this situation on the two parties involved.

It is not my intention, Mr. Chairman, to recall well-known facts, but I would merely point out the significant contribution of the government towards a meaningful solution.

Following the Picard report, the employers agreed to set up a guarantee fund to provide for a minimum of 35 paid hours per week to 2,157 employees.

I would like, Mr. Chairman, to emphasize the necessity of this work guarantee for the Montreal dockers. Under the old system, the employees depended on the goodwill of management, and there was no guarantee to the worker under any rational system for hiring and distribution of work. I know the workers in my riding and my area, and I know how they react. I know how important a factor security is in work motivation. Full productivity cannot be asked of the worker if he does not know what tomorrow will be like.

More recently still, Maxwell Cohen was commissioned to present a report on labour problems. This report contains a number of steps to be taken by employers, with a view to facilitating the adaptation of workers affected by automation.

A few weeks ago the Minister of Labour (Mr. Mackasey) gave the Union a cheque for $63,000 to provide for implementation of the recommendations of this report.

These various factors reflect the government's concern with respect to the labour disputes problem. I would like to point out here the very valuable contribution of our Minister of Labour.

Mr. Chairman, I would like to deal briefly with a last important point concerning the explanation of the present situation. Just like any business concern, the Montreal harbour must necessarily keep progressing, and I think that to survive any business must develop its potential to the utmost. However, I think that in a just society, progress must be shared among all citizens. And one of the most significant applications of progress is the introduction of new techniques in industry, and Montreal harbour is no exception to the rule.

I wish to point out the importance and the size of the problem created by the introduction of containers. This new transportation system makes possible increased efficiency in spite of reduced manpower.

• (4:50 p.m.)

I am quite aware that a number of dockers who are eager to retain their jobs do not welcome this prospect. We are facing here two somewhat conflicting situations.

On the one hand, employers will have to improve their equipment in order to meet competition, and, as I said, I fully agree with this view. I furthermore suggest that if Canada is anxious to stay abreast of international competition, her industries will have, willy nilly, to bring about new operating methods so as to reduce costs and meet successfully the competition from abroad.

On the other hand, I disagree with the idea of doing so at the expense of labour. Where this particular case is concerned, introducing containers will be a commanding factor, in my opinion, towards improved returns to the Montreal harbour. Indeed, important harbours are increasingly using this method for the shipment of commodities, as it costs much less than the traditional system.

But dockers must not suffer from the introduction of this new equipment. It is becoming universally recognized that when changes affect the workers, employers have a moral obligation toward their employees.

Technological progress must not take place without human progress. In the Montreal harbour, mechanization must not impede the dockers' progress, or labour-management relations.

I also think that a true dialogue is one of the essential conditions for the well-being of the workers, especially when such a change is involved. Such a dialogue must be initiated by the employer, since he is responsible for the change. He must be prepared to discuss the outcome of his action with his employees, through their union.

I am sure, Mr. Chairman, that it is impossible to hold responsible only one of the parties involved. I believe that the introduction of containers in Montreal harbour must come about through a common effort, as a sign of both technological and human progress.

On the other hand, employees must admit that progress is irreversible, and that any action to stop it brings unpleasant results for everyone.

At first glance, it seems absolutely incomprehensible that employees should want to brake progress. But it is enough to discuss with them and to put oneself in their place to understand that the workers often have no other choice. The majority of them have, just like us, family responsibilities. When they lose their job, they know that they lose their source of income which enables to provide for their needs and that they will have to overcome almost insuperable difficulties to return to the labour market.

Under those circumstances, how can an employee be asked to understand the necessity of progress? The only solution open to him is to hang on to his work which guarantees him a regular income. On the other hand, the employers must understand that phenomenon. The fate of human beings cannot be determined with statistical curves.

The only way to change the attitudes of employers and employees is to improve communications between them. Thus, we can achieve a situation where employees will understand the economic significance of change, and the employers will understand that the human factor must be taken into account in reaching economic decisions. Taking into account the present situation at the Montreal harbour, I am sure that communications need to be improved. As for me, I cannot admit that improvement in the Montreal harbour may mean loss of employment for some people living in my constituency or district.

I also intend to do the utmost to see that the interests of my fellow-citizens are brought to the attention of the house, and I believe that those named to represent the Canadian people should make it a point of honour to try and set things right.

Also I know that our minister of labour is fully conscious of the various factors at stake in the Montreal harbour; he has proved it on several occasions. In fact, the hon. minister never hesitated to fulfill his duty as Minister of Labour in all the disputes and conflicts which occurred since he accepted this position. Furthermore, events have shown that he had the right approach and that he is very popular with both the workers and the employers. On behalf of the workers, I wish to thank him for his devotion and for his efforts with regard to the settlement of labour disputes, he was far-sighted and fair-minded throughout.

In closing, I will say that my feelings for the hon. Minister of Labour are understandable because we both come from the labour class. We both started at the bottom and, today, we have the honour and privilege to sit in the Canadian parliament keeping in mind the motto of Quebec, our native province: "Je me souviens."

May Divine Providence give us health, lucidity and courage to carry on the task which we have undertaken so as not to deceive the hope and confidence placed in us. May it allow us also to see and participate to the fulfillment of our destiny.

[*English*]

Mr. MacEwan: Mr. Chairman, I should like to congratulate the minister on his appointment as Minister of Labour. Having regard to the report in the Labour Gazette for September and my own connections with labour, although I cannot aspire to the same heights as the minister and the hon. member for Maisonneuve I should like to go back to the time when I was attending college and worked in the coal mines in my area as well as with a pick and shovel for what I might call an upper Canada construction company. Since I have been elected to this house and in experiences in my own area I have certainly had many connections with labour, and I come from an area that employs a large amount of labour.

Although the minister is up to most challenges, what bothers me at this time is that the Department of Labour has been fragmented. Much of the guts has been taken out of it and given to other departments, including the department of manpower. Many of the functions that have been given to the Department of Manpower and Immigration I would prefer to see under the control of the present Minister of Labour, but since that is not the case we have to face the facts. This fragmentation has an unfortunate effect so far as labour is concerned. The various functions and duties relating to labour are now distributed between two departments. The powers and functions of the Department of Labour are divided and the department is dangerously weakened.

• (5:00 p.m.)

Many of the relevant functions relating to labour, such as the vital function of maintaining mobility and the upgrading of skills in this age of technology, have been moved to the department of manpower. I hope the Department of Labour has not been downgraded by the government, although this seems to be the case. It has been suggested that the minister is the closest thing to a minister without portfolio, but we hope this is not the case. In the days and weeks ahead we will be watching him to see exactly what he intends to do.

Our duty at this time is to consider these estimates in the light of general considerations applying to labour. Thus it is not a matter of considering only the dollars and cents expenditures of the department but of relating its expenditures to labour as a whole in order to ascertain what role the department is playing in the labour field. And again we are forced to the conclusion that its role has become a minor one. From examination of the blue book I note that the department's functions are limited to collective bargaining and conciliation procedures in industries under federal control, and to research and labour standards. These are important functions, but in the area of a national labour department they are far from all-embracing.

When the original estimates were brought down last session, housing was a part of this department. It is now under the Minister of Transport. There was considerable curiosity about this move when it was first announced. Many people wondered what housing had to do with transport. This has now been explained, since the Minister of Transport has not stopped moving since he took over. But the shortage of housing is still very much part of the labour scene. For instance, housing is related to inflation and to unemployment. As I say, it is very much part of the labour scene considering the effect that housing and its cost have upon the standard of living of Canadian workers. That is why, in the general context of economic conditions as they relate to the situation of labour, we must look at the cost of living, the level of unemployment, the phasing out of training programs and the lack of housing. These are factors that strike at the very roots of labour freedom and mobility.

Dealing with unemployment, the submission of the Canadian Labour Congress to the cabinet last February stated:

> Representing as we do, working people across this country, we cannot stress too strongly the gravity with which we view the current economic situation. Once again, it looks as though the burden of poor economic management will be borne by Canadian workers in the form of increasing joblessness.

One may not agree entirely with the C.L.C. at all times but one is forced to agree that present events have borne out its prediction of last February because there is increasing joblessness, as pointed out by the hon. member for Oshawa-Whitby, brought about by government mismanagement, and the burden is being borne by Canadian workers.

Unemployment is a vital factor in labour conditions and labour mobility in this nation. Of course, in respect to an area such as mine, the Atlantic area, and other parts of the country, regional disparity must be mentioned. That is why we must consider the whole field in which labour operates, and one must use this opportunity to ascertain to what extent the government's policies have been

effectively applied in the context of unemployment, the cost of living, housing and so on.

Where does one seek out labour policy in this government? Is it in the department of manpower? Is it in the Department of Labour or where is it? Policy is non-existent. Some might mention the Canada Labour Code. This is really a compendium of existing legislation which adds not one whit to the well-being of the working man. What will improve the well-being of the working man is a reduction in the persistently high level of unemployment which has remained at a seasonally adjusted rate of over 5 per cent, the provision of housing which labour can afford, a reduction in the pyramiding cost of living, removal of the iniquitous sales tax, and the restoration of a program of upgrading and training skilled workers. These are the things we must have in order to maintain the position of labour in a world of automated change. The government does not seem to be conscious of this.

I would like to go along with the hon. member for Oshawa-Whitby in asking the minister to give a forecast, before this debate concludes, of what the unemployment figures will be this winter, using a computer or anything else. I am thinking especially of areas like Quebec and the Atlantic region. While unemployment in October was over 5 per cent at seasonally adjusted rates, unemployment in the Atlantic provinces was once again the highest in Canada, 5.2 per cent at actual rates not seasonally adjusted. This means that in spite of the government's pious promises and prophecies regional disparity, far from being overcome, is becoming more of a problem each day that the government remains in office.

I suggest that the government has completely neglected the challenge of technological change which is the major challenge facing labour in Canada. I heard what the minister said about the Freedman report, and I concur in that. I think it is a move in the right direction and we will watch it closely. This is just one matter which must be dealt with in order to help the labour force. In ordinary terms the situation can be put this way: We must get with it. Under this government we are not doing enough to help the labour force.

I do not intend to deal with the question of housing in any detail except in the context, as I have said, of labour policy. Last February the government received a memorandum from the Canadian Labour Congress but it paid as much attention to it as it has paid to the various reports of the Economic Council of Canada. In that memorandum the C.L.C. said:

> We believe that all Canadians have a right to decent housing and that governments have an obligation to ensure that it is provided.

What has this government done in respect of housing? We shall have to wait for the Minister of Transport to get his feet back on the ground. The government should have been moving on the question of housing from the time it took office. It should have given a just housing policy to the country.

Canadians cannot afford to have houses at present rates. They cannot afford to buy homes taxed to the tune of about 12 per cent. Surely the government knows that this 12 per cent is pyramided through the whole cost of construction and comes out at the end closer to 20 per cent. The desperate need of Canadians for housing cannot become a matter of profit for lending institutions.

Again I suggest that Canadians must be provided with decent housing. The labour force must be provided with adequate housing. Among other things the government must do much more to provide low rental housing on a much larger scale. Surely the provision of decent housing is part of any consistent labour policy. If the government had any interest in Canadians who work for a living it would have moved long before now.

This afternoon my leader dealt with the matter of inflation. He showed how it cuts down the spending power of the dollar and makes labour unions and workers go after more wages because they require more money. I suggest to the minister that this is one of the most serious challenges of our time, a challenge the government has failed miserably to meet.

Inflation makes the poor poorer. As I said before, it emphasizes regional disparities because the less advanced regions feel the weight of inflation in the same way that the more advanced regions do, and sometimes more seriously because there is no corresponding increase in purchasing power and the disparity increases. In the five years that the government has been in power—

An hon. Member: Six.

Mr. Olson: Since June 25, 1968.

Supply—Labour

• (5:10 p.m.)

Mr. MacEwan: A Liberal government has been in power for the last five years since 1963. Many Canadians know this too well, especially those in the Atlantic provinces. The Minister of Agriculture is one of these just society ministers. He has put off the agricultural conference until next March. I believe he should have moved justly before now for the farmers of ths country. I shall go into this later when we have the agricultural estimates before us. In the five years since this government has been in power, whether the minister is aware of it or not labour has borne the brunt of the most serious inflation in peacetime history. Food prices alone, for example, during the period have risen by 25 per cent and housing costs have risen an equal amount. I could go further into this subject, but I should like to deal with the matter of conciliation.

I know that in his remarks the minister suggested there should be better mediation practices in this country, and so on. I have a suggestion for him which is based on the postal strike and other strikes which have taken place within the last few months. We also had a long drawn-out grain handlers strike in the course of which the Minister of Agriculture ran around blaming the companies and the Minister of Labour did not move until later. In his statement in the house, I believe in the throne speech debate, he stated why he acted as he did. He may have been correct, although I am not admitting it. However, the six weeks lost because of this disastrous performance have not been regained.

In respect of the postal strike the government allowed the Montpetit report to sit gathering dust for a few years. When the postal workers struck again the members of the government let it go on. My suggestion is that the government should set up a fully autonomous professionally trained conciliation and negotiation commission removed completely from the Treasury Board. That body should go to work a long time before a strike is imminent and not in the last days prior thereto. I believe that the hon. member for Winnipeg North Centre, when speaking on a private member's bill introduced by the hon. member for Notre-Dame-de-Grâce, suggested that the present rights of the public service of Canada are now on trial. However, if something like this were done I think many potential strikes probably would not occur although under the legislation the employees are justifiably given this right.

[Mr. Olson.]

I could go into what are essential services but I shall not do so at this time. The minister spoke of the Woods task force. We will be waiting to see what this task force brings forward. I was interested to read an item which appeared in the Canadian Chamber of Commerce Newsletter for the month of November. It states:

> H. D. Woods, M.A., LL.D., Dean, Faculty of Arts and Sciences, McGill University, heads the minister's task force on labour relations. At the annual meeting he confined his remarks largely to the issues before the task force because "we are not yet in a position to present publicly any recommendations since our primary responsibility is to the government."
>
> He pointed out that what is at stake is not whether strikes are to be permitted or not, but whether the whole system of the private decision-making for individuals, unions and employers is to be preserved and strengthened by policy and administrative reforms or to be emasculated by creeping public intervention which will involve more decisions by public bodies.

I shall not comment on this; I merely cite it for the record. Perhaps we will take note of it later. I have already spoken of the Freedman report. I believe it is a move in the right direction. I suggest there are many moves which should be made by the department and the minister in order to provide better labour legislation in this country.

Then there is the matter of the winter works program which was mentioned by a previous speaker. I do not believe this program should have been eliminated. What surprised me at the time it was dropped was the fact that when the principle was adopted the members of the Canadian Construction Association and others were not advised. The action taken by the government apparently was unilateral. I believe the winter works program was an excellent one. There was a suggestion by the Minister of Manpower and Immigration, I believe, that the vocational and adult training programs had taken the place of the winter works program. I doubt this very much. However, I do not downgrade adult or vocational training because I believe these are excellent programs. I know that in my own area these programs have been a Godsend in respect of training not only the younger but also the older people. I believe that the winter works program should be resumed.

I think my time is about up so I shall hurry along. The other day in the house the hon. member for Winnipeg North Centre, as reported on page 2784 of *Hansard*, asked the Prime Minister about the rate of unemployment and what steps the government intend-

ed to take to combat unemployment in this country. The Prime Minister said:

> Mr. Speaker, we had quite lengthy statements on this matter during the budget debate, and we will have a chance to make others on the estimates next week. As you prophesy, I could make a lengthy answer to this question to indicate that this increase in labour force unemployment is due to many factors—

And so on. He said finally:

> Actually, Mr. Speaker, I have a lengthy answer here.

Before this debate is over I hope the Prime Minister will enter it to give us this lengthy answer concerning the most pressing problem in this country, that of unemployment.

Mr. Knowles (Winnipeg North Centre): Do you think he will?

Mr. MacEwan: I doubt it. The hon. member for Winnipeg North Centre will have an opportunity later to back me up and perhaps we will be able to get the Prime Minister into the chamber. Members of this party will have other matters to raise. In the meantime I reiterate that I hope the Prime Minister will tell us what he and his government intend to do to combat unemployment in this country.

Mr. Gibson: Mr. Chairman, I congratulate the Minister of Labour for his masterful, scholarly and practical speech in which he has expressed the labour policy in clear, bold and humanitarian terms. Certainly labour and management today are struggling not only with problems between themselves as immediate parties but also with problems caused by the impact of the age of automation.

• (5:20 p.m.)

Representing as I do the great labour riding of Hamilton-Wentworth, which is largely urban and in which many thousands of our Canadian labour force reside, I am proud to participate in this debate. I am proud because the minister has correctly assessed the importance of automation as a vitally serious problem which requires immediate and continuous action.

I for one will never support the view that labour itself should bear the brunt of technological change. This is a false concept. We must take the initiative in this House of Commons in grappling with these serious problems which have been referred to by the experienced hon. member for Winnipeg North Centre. He has also on a number of occasions expressed worry and concern about those on fixed pension incomes who have been caught in the inflation squeeze, that dastardly enemy of the Canadian nation.

Surely we cannot stand by and watch capable industrial workers being cast aside as a result of new industrial methods. Industrial workers are not machines; they are an integral part of the company and they must not be cast aside. We must urge management to co-operate more fully, and at greater depth, in planning, as part of their responsibility in respect of integrating the roles of those who are no longer immediately employed in the industrial climate of the day. We cannot deal with unemployment problems simply by carrying out studies, by indifference or by instituting capital cost projects. We cannot take the attitude that cost is a factor which can be considered without dealing with labour and automation. Perhaps the answer is that the government and management must both provide re-employment and retraining for the victims of technological change.

I speak as one who was fortunate enough after the last war to have had the benefit of the Liberal government's retraining program for veterans. This was one of the most magnificent pieces of legislation which ever appeared on the statute books. It is true that this took place after an enormous war and was immense in scope, but it is also true that thousands of young Canadians were integrated in the mainstream of Canadian life by reason of the forward-looking and visionary attitude of the then minister of labour which resulted in this practical legislation. That minister had to deal with a more drawn out and more complex labour structure.

The present Minister of Labour is a hard-working capable man. The legislative background on which he is building was formulated by the late Prime Minister Mackenzie King and carried forward by other ministers such as the late hon. member for Welland, Humphrey Mitchell. That policy was continued by him and by other men of his stature. These men were reinforced by—

Mr. Hees: Give us the names of some of the others who impressed you so much.

Mr. Gibson: What has been accomplished was not accomplished solely through the work of ministers of labour.

Mr. Hees: Jot down these names ahead of time. That's a good tip.

Mr. Gibson: Thank you, sir. These men have done their jobs and have gone down in history. This parliament has capable men on

both sides of the house. Many of them have far more experience than I. It is my feeling that all members of this house wish to grapple with these problems. We should not turn the other cheek and simply say, let these people eat cake. That is not the attitude of this parliament or the Canadian people.

Another problem of national interest became evident this summer. It resulted from a breakdown in negotiations. When there are strikes the consumer should be regarded as an integral element of negotiations and discussions. Perhaps we have reached the stage when the department of consumer affairs should be represented at least as an observer of what is going on during labour-management discussions. This may be to far-reaching and may strain things too much, but I believe it is a good idea which should be expressed.

National strikes cause tremendous crisis in our economy. They rock the boat to the greatest extent, just like the immediate results of a tempest. The medium of television provides us with a great communications system, and it seems to me there is great merit in having a representative of the consumer affairs department present at the deliberations of labour and management. Such a representative could point out to the labour and management representatives the effect of the positions they were taking on the economy. These men should go to management and point out the effect on our economy of their demands. They might also go to the labour negotiators and indicate the results of their demands for a certain increase in wages. They could show these people how the cost of living would be increased if they continue to hold out for their demands.

I do not hesitate in saying that it seems to me that in the past too much emphasis has been made on labour and how much a man is being paid. We should also consider management and price increases. If we have not the duty, at least we have the moral responsibility to make public the effects of enormous increases in prices. This is true also of the labour aspect of this matter. At this stage I do not advocate a prices review board, but I think we should keep this in mind. We should not shrug our shoulders and say it is completely impossible. This matter should be discussed in this chamber. We should turn our attention to the possibility of an economic prices review board as under the British system. I should like to ask the minister to comment on this.

[Mr. Gibson.]

We should not leave this ship without sails because when the sails go down the ship wallows around in the sea with no certain course. We must consider our economy. For many years the inflationary effect of high wages and high prices has confined the consumer in a straitjacket. We must protect the consumer. The people who elect members of parliament are consumers. Labourers and management staff are consumers.

Before concluding I must not refrain from expressing the view that many problems in labour-management relations are caused by a lack of a humanitarian approach in dealing with employees. This is not a narrow, partisan view. Many companies are progressive and interested in their employees' welfare. On the other hand, many employers are heartless and consider their employees as parts of the plant or fixed machinery. They consider their employees as a number of bodies to be sent here or there. They feel that the company is nothing more than a profit-making machine. These employers should realize their responsibilities in respect of the rights of employees. A great deal of good would result if more presidents of corporations would occasionally drop in at the homes of their workers. Perhaps many of them do. The humanitarian aspect of labour relations has not been fully exploited by management. This government has taken the initiative in this respect. Management should be encouraged to do more and go farther with this approach.

• (5:30 p.m.)

Mr. Hees: Mr. Chairman, I was very interested and pleased to hear the minister say in his speech that as far as he is concerned the just society is one in which a decent standard of living is a right and not a privilege. I am sure we all agree with that. However, I believe we should examine the record of this government since it took office to see what it is doing to bring about that kind of society. We heard during the election campaign a great deal of talk by the Prime Minister about the just society, and all Canadians are interested to see just what the government has in mind regarding its concept of the just society. We want to find out what the government is doing to bring about the kind of just society in which the Minister of Labour says he believes, and in which I am sure we all believe.

I would like to speak for a few minutes about the question of poverty in this country and the minimum wages paid by industries

that come under federal or provincial jurisdiction. In August the Economic Council of Canada produced one of its numerous reports. In that report there was a chapter of 37 pages devoted to the subject of poverty in Canada. The economic council tells us that there are in this country no less than 4,200,000 people living in conditions of poverty. We are told also that most of these people are not unemployed and living on welfare but are working for minimal wages. We are told there are no particular areas in which poverty is concentrated, that it is spread all across the country and a great deal of it is found in large cities which are normally considered to be affluent societies.

In its chapter on poverty the Economic Council of Canada says that in the view of its members poverty in this country is no less than a national disgrace. When asked whether he agreed with this assessment, the Prime Minister said he did agree that poverty as it exists today in Canada is a national disgrace. I think every one of us would agree that in the just society we would like to see there is no place for poverty. We who would like to see this kind of just society develop agree that we must leave no step untaken, no stone unturned, to eradicate poverty as much as possible in our country. With this in mind, on September 13 I asked the Prime Minister the following question:

> Mr. Speaker, I would like to address a question to the right hon. Prime Minister. Since the Prime Minister has stated that he agrees with the finding of the Economic Council of Canada that poverty in Canada is a national disgrace, and since the commission has reported that a great deal of this poverty occurs because people who are working are not receiving sufficient wages to enable them to bring up their families in decency and reasonable comfort, do the Prime Minister and the government intend in the very near future to increase the minimum wage as it applies to industries under federal jurisdiction, particularly as this would be an incentive or an example to the provincial governments?

The Prime Minister replied that the government did not intend to take that kind of action. Therefore I went a little farther and asked the Prime Minister what he intended to do to reduce or eradicate poverty in the just society that he intended to develop in this country. His answer was:

> Our attack seeks to ensure that inflation will be curtailed in Canada. We believe this will be the best attack on the problem.

Let us consider what the government has done since the Prime Minister made that statement with regard to curtailing inflation. At the time he spoke, the figures of the Dominion Bureau of Statistics show us that inflation in Canada had increased by 3.6 per cent over the previous 12 months. One month later we are told that inflation in Canada had increased by 3.8 per cent over the previous 12 months. Today we are told that inflation in Canada has increased by 4.2 per cent over the previous 12 months. So we can see that the people of this country, especially those living below the poverty level, are considerably worse off today than they were when the Prime minister gave me that answer in the house two months ago.

This gives hon. members an idea of just what this government is doing to control, remove or eradicate poverty, which we all agree we cannot allow to exist in a society we would call just. The Prime Minister told me on September 13 that the program the government considered to be the best way of dealing with poverty in this country was to curtail inflation. Is inflation being curtailed by this government? It is certainly not. It has increased in two monthly stages in the two months that have passed since the Prime Minister made that statement and outlined the government's policy in this respect. Therefore we can see that not only is the government doing nothing to control or reduce poverty in this country but since the Prime Minister gave me that answer it has become considerably worse and every indication is that it will continue to get worse month by month.

On November 13 I drew this matter to the attention of the Prime Minister. I pointed out that he had told me that the government's program for reducing poverty was to curtail inflation, and that it simply was not working. I asked the Prime Minister whether the government, in view of this fact, had any new plans for dealing with poverty in this country, which the Prime Minister had agreed is no less than a national disgrace. Once again the Prime Minister gave one of his slick answers. He said that of course the answer was in the budget and if we would examine the budget we would see what the government was doing to control inflation. If we examine the budget we see that it contains an increase in taxes over the next year of no less than $845 million. Every member of this house knows that an increase in taxes increases the cost of living because the goods we buy are made more expensive in that the taxes are added to the price of those goods, and the taxes that we pay out of our pockets increase the cost of living. That is inflation.

So we can see that next year inflation will continue, probably even more rapidly than it is increasing at the present time. Yet this Prime Minister, who made great speeches on the hustings about the just society which this country was going to have under a Liberal government, has proved that he has no intention of eradicating poverty or of curtailing or controlling inflation, which he said is the government's approach to eradicating poverty.

• (5:40 p.m.)

So we see that this government refuses to do three things that are necessary to control poverty. The first one is to set an example to the provinces, under whose jurisdiction most industries operate. If this government would increase minimum wages in industries under its jurisdiction, it would set an example to all provincial premiers. The government has refused to do that even though I pointed out to the Prime Minister that the last time minimum wages for industries that come under federal jurisdiction were raised was three years ago and the cost of living has increased by no less than 12 per cent since then. Yet the Prime Minister refuses to raise minimum wages and thus to set an example to the provincial governments across this country.

Second, the government has been requested on a number of occasions by myself and others to call together the provincial premiers, having set an example by raising minimum wages for industries under its jurisdiction, to point out the need for them to raise minimum wages for industries under their jurisdiction so that people who are living in poverty because they are working for inadequate minimum wages, in some cases as low as 80 cents an hour, can improve their standard of living. Yet the federal government refuses to do that. I have asked the Prime Minister, when he has all the premiers here to discuss financial and constitutional matters, to ask them to stay perhaps an extra half day to discuss what can be done to eradicate something which he admits is no less than a national disgrace. But he says he will not do it. They will be too busy talking about constitutional matters, all of which are very important but are not as important as taking steps to eradicate poverty among one-fifth of our population. This is the most important problem that can be dealt with today, but the Prime Minister refuses to do it.

The third thing he refuses to do is to curtail inflation. I asked a question today. I produced a quotation from a speech which the secretary of the Treasury Board made to the Canadian Tax Foundation this week in which he said that this government neglects to examine the need for the programs it is pursuing. I asked the Prime Minister whether, in order to curtail inflation and the tremendous expenditure that is going on in this country, the government would not stop what the secretary of the Treasury Board says is being done. The Prime Minister simply laughed the whole thing off and said that the question dealt with something that had probably happened ten years ago. That is how seriously he took it in spite of the fact, may I point out, that the secretary of the Treasury Board had used the present tense, and if hon. members will read his speech they will see that. He was talking about what is going on now, not five or ten years ago. He told us what the government is doing and what it is not doing, but the Prime Minister is not interested; he could not care less. The Prime Minister talked glibly on the hustings about a just society because he wanted to win votes and to get a Liberal government elected. Now it turns out that what he was talking about was a sham, a farce and a hoax, that he simply talked about something that he had no intention of producing, namely, a just society.

Mr. Olson: Has the hon. member noticed what has happened to the Gallup poll since the election?

Mr. Hees: I am telling you about the kind of thing that is going to defeat the government four years from now. You just wait to find out. I take it that all the Liberal members in the house now are proud of the just society—

Some hon. Members: Hear, hear.

Mr. Hees: Thank you for the applause. As I said, they are proud of the just society which contains a built in poverty about which the Prime Minister intends to do nothing, as we know because he has said so.

Mr. Mongrain: How does the hon. member know?

Mr. Hees: Because he has told the house so and because he has refused to do the various things we have asked him to do, to raise minimum wages and to curtail inflation. Inflation and poverty are increasing day by day before our very eyes, but you people do not care. You are in for four years. What do you care whether people starve? What do you care about people who live in poverty? What does the Prime Minister care about the fact that people are living in conditions which the Economic Council of Canada appointed by

this government describes as a national disgrace? You are proud of that. I hope that the people of Canada will learn from your attitude toward a just society which contains built in poverty that you are not going to do anything to eradicate, to cut back or to reduce poverty.

Mr. Olson: That is the hon. member's opinion, and he is usually wrong.

Mr. Hees: Let the minister rise in his place when I sit down and tell me what the government is doing to eradicate poverty. I would also like to hear the Minister of Labour tell us what the government intends to do, but let him do so when I finish speaking. I will be very interested to hear the minister. In the meantime we have been given a further proof that the Prime Minister simply used the slogan "just society" to attract votes in an election. Once he got in he could not care less. He does not know anything about poverty; he has never experienced it.

Some hon. Members: Oh, oh.

Mr. Hees: His constituents are the kind of people who do not know anything about poverty. The Prime Minister's answers in the house have shown very clearly that he is not interested in the slightest degree in doing anything to eradicate something which he has agreed is no less than a national disgrace.

[*Translation*]

• (5:50 p.m.)

Mr. Lessard (Lac-Saint-Jean): Mr. Chairman, at the beginning of my remarks, I would like to congratulate the Minister of Labour (Mr. Mackasey) for the courage he showed on at least two occasions in this house, that is recently when he took part in the debate on the address in reply to the Speech from the Throne and today when he made his statement about his department's estimates.

I want to congratulate him bceause I feel that the position he took with regard to management and labour unions is open, frank, strong and new. I think that too often in the past the politicians and particularly the members of the cabinet have been afraid to state defintie policies.

Before going on to something else, I would like to take this opportunity to thank and congratulate the members of his staff and the officials of his department for the help they give us so graciously and so quickly when we go to them with a problem. I refer in particular to the opportunity I had recently of visiting the various branches of the Department of Labour, and I think that that was very instructive. In fact, it enabled me to see the facilities available to members in the various departments and especially in the field of labour.

Mr. Chairman, before making personal remarks, I would like to refer now to the remarks made earlier this afternoon by the Leader of the Opposition (Mr. Stanfield). I was somewhat surprised to hear him criticize the Minister of Labour's intervention this afternoon. He used the word "lecturing" in a way difficult to interpret, but he seemed to insinuate that the minister was preachifying. I do not think that is the case. In his statement, the hon. minister merely stated facts and positions.

At this point, I should like to deal with the labour-management committee which should exist in every enterprise.

I, myself, worked in industry from the age of 18. I was able to see the advantages of maintaining harmony in an enterprise through those labour-management committees.

I think Alcan can be mentioned as an example, because it has had only one very short strike in 1941, and another which lasted four months, unfortunately, in 1957. Considering the fact that this company has been established in Canada since 1901 and, in Saguenay since 1925, it can be said that two strikes over a 40-year span, is no abuse, on the part of the workers as well as the union. It also proves that the company understands the nature of its responsibilities. At the very start, it set up a system of consultation within its plants, so that the grievances of the workers could be studied as soon as they were expresed. In fact that, to my mind, is the best way of preventing grievances, which are left pending, from assuming gigantic proportions which cause strikes when the time comes to negotiate collective agreements.

I feel, Mr. Chairman, that the employees of the Department of Labour and its Minister should intensify, even more if possible, their work with regard to publicity and contacts with the companies, so that labour-management committees might be adopted in all industries. By the way, I should specify that their creation should be required, not "suggested" but "required", in the various government sectors, because if we want to set a good example for private industry, we, in the

government, should at least set up those organizations in the various sectors, in the various departments.

If my information is correct, Mr. Chairman, that is not the situation unfortunately. We are far behind with regard to management-labour relations in government departments.

The present system of arbitration has also been mentioned. It is, up to a certain point, the cause of the various conflicts and strikes which we are witnessing. Clearly, the present arbitration system will have to be modified. The minister has taken a categorical stand, saying that the workers cannot be compelled to accept this system, since it would be quite discriminatory to force workers to accept measures which they are not ready to accept.

As for me, I do not think it is a good formula. Indeed, if we compel workers to accept the decision of an arbitration committee, I doubt that, during the course of such a collective agreement, two or three years, there might be a climate favourable to harmony in the company. The worker who will have to go back to work and accept conditions he is not willing to accept, will certainly be a bad and inefficient worker. I think it is preferable to settle the situation and not to establish compulsory arbitration.

I think that among intelligent men, it should be possible to find a system other than the compulsory arbitration. I know that the Woods commission is studying at the present time the various amendments to the statutes and I think that the minister is waiting, like all of us, the publication of this report, so that the statutes may be amended by the house.

In his statement, the minister specifically mentioned that, while waiting for that report, his department has already undertaken the drafting and preparation of new bills or amendments to acts now in force.

This is certainly some preparatory work which it was necessary to do. Once this legislation is drafted—at this stage I appeal to the leader of the government and to all the colleagues of the Minister of Labour—let the minister introduce it to the house as soon as possible because, in my opinion, the labour sector should certainly have a priority. Most of us have been elected by the workers and I think that we should not forget it.

I notice that, at this time when we consider the estimates of the Department of Labour, the attendance is not as large as one could have wished it to be, and I am a little shocked. I thought that the members would have taken part in greater numbers in the debate concerning the estimates of the Department of Labour, because it gives them an opportunity to express to the members of the government valid opinions and especially to make known the viewpoints of the various groups which they represent in this house and in particular the workers group.

[*English*]

The Chairman: It being six o'clock, it is my duty to rise, report progress and request leave to sit again later this day.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for Shefford (Mr. Rondeau)—Canadian Broadcasting Corporation—time allotted to political parties in Quebec; the hon. member for Winnipeg North Centre (Mr. Knowles)—Pensions—consideration of universal principle of escalation; the hon. member for Algoma (Mr. Foster)—Water Resources—St. Mary's river—action respecting pollution.

It being six o'clock the house will now proceed to consideration of private members' business as listed on today's order paper, namely, private bills, notices of motions for papers, public bills.

Mr. Howard (Skeena): If I can have your indulgence for a moment, Mr. Speaker, we have had a discussion with the parliamentary secretary to the President of the Privy Council and I think there might be agreement that an order of the house be made that the house take recess for supper upon the conclusion of the consideration of item No. 1 relating to Atlantic Peat Moss Company Limited, if that happens before seven o'clock.

Mr. Deputy Speaker: Is it agreed?

Some hon. Members: Agreed.

• (6:00 p.m.)

PRIVATE BILLS

ATLANTIC PEAT MOSS CO. LTD.

The house resumed, from Tuesday, November 19, consideration in committee of Bill No.

C-103, respecting Atlantic Peat Moss Co. Ltd.—Mr. Breau—Mr. Faulkner in the chair.

On clause 1—

The Chairman: When the committee rose on Tuesday, November 19, clause 1 was under consideration. Shall the clause carry?

Mr. Peters: Mr. Chairman, I will not detain the committee since I do not intend to oppose passage of this bill. I say that not because we agree with the arguments of those sponsoring the bill but because, if this measure is passed, certain numbers of people will gain employment.

Anyone with legal training must have wondered why, after a three year period in which notices were sent from the companies' branch to this concern asking it to file returns as was mandatory under the letters patent, this procedure of coming before the house is being followed. Returns were not submitted as requested. That was a breach of the privileges of the original charter. Now the company comes to the house and asks the house to ignore everything that the companies' branch has done.

It is passing strange that a company which has ignored all the notices that have been sent to it should now try to come before this house and obtain permission to do something. Why is it that more lawyers in this house are not curious about this type of operation? On previous occasions we have suggested that the type of procedure envisaged here ought to be carried out in some other forum, possibly before a committee that would deal with private bills and not in the house. We are very much opposed to the idea of private bills being brought before the house in order to do something that could have been done previously in some other way.

As I understand it, the companies' branch is very insistent that companies that are granted letters patent shall adhere, during their lifetimes to the terms of their charters. I am told by a lawyer that this company must have received a great many letters from the federal companies' branch. In fact, the communications probably ought to be measured in feet rather than in individual letters. There would be a great deal of correspondence. Perhaps one or two letters a day might be sent. In any event the companies' branch would have been most insistent that this company adhere to the terms of its letters patent. Therefore the arguments used before the committee by the parliamentary agent simply are not good enough.

It is not enough for the company to say that it was unaware of its obligations because it was concentrating to a large extent on sales. It has duties to perform according to its charter and it must have been aware of the notices that were sent to it. Surely no one could fail to notice all the communications that would be sent to the company's New Brunswick offices.

I suggest that hon. members who wish to do their duty ought to pay close attention to this type of bill which has the effect of undermining the protection to the general public that is provided by legislation. Agencies of government are set up to protect the general public and businesses. This bill tries to circumvent legislation that has been passed.

This company for a period of years was on very shaky financial foundations. It was almost operated by trustees or a firm of advisers that handled administrative problems. The firm of advisers did not have the courtesy of bringing the companies' branch into its confidence and discussing the matter with the branch.

On June 17 and 22 a notification appeared in the Canada Gazette that this company would cease to exist and that the date of the cessation of the charter would be published. We are now to eliminate that move by this bill. Many directives by the companies' branch must have been sent to this company. When a company says in the Canada Gazette that it will cease to exist and then comes before the house with this sort of private bill, surely it is engaging in a novel type of endeavour. Surely hon. members who are interested in the financial community and in the legal aspects of federal charters ought to be much concerned about this matter.

Here all the machinery that has been set up by the government has been unable to convince this firm over a period of years to toe the line. Not only did the company itself ignore the department but apparently the trustees or the people it had hired in Montreal to do its administrative work also ignored the department.

[*Translation*]

Mr. Dumont: Mr. Chairman, I raise a point of order.

I wish to point out that we do not have a quorum in the house at present.

Mr. Forest: We have a quorum.

Some hon. Members: Yes, yes.

Mr. Dumont: We did not have it a while ago; there were only 17 of us.

[*English*]

The Chairman: At the moment we have in excess of 20 hon. members in the committee.

Mr. Peters: Mr. Chairman, since we almost did not have a quorum it illustrates my point, that hon. members just are not as interested in this as they ought to be. Surely hon. members ought to ascertain for themselves whether any action we are now taking or about to take that will have the effect of side stepping previous legislation poses a danger. After all, members of the financial community are governed by federal legislation and federal charters.

• (6:10 p.m.)

I call to mind the number of bankruptcies of certain companies that are closely allied to agencies and to which we have granted a federal charter. Unless we provide machinery to demand certain reports and financial statements in keeping with the companies branch directives at an early stage of a company's financial difficulties, then we may well find ourselves exactly in the same position we were in in the case of Prudential. We all remember the recent bankruptcy of Commonwealth Trust. If it had not been for the fact that the insurance branch of the federal government stepped into the picture, and a period of three years had been permitted to elapse, then perhaps some 20 or 30 companies would have gone bankrupt and no money at all would have been netted. I am sure many shareholders across the country will be appreciative of the safeguards provided by provincial and federal legislation and are able to feel much more secure than would otherwise be the case.

In the committee reports, Mr. Chairman, I was disturbed at certain things I read. For example, one member of parliament continually intervened and finally moved a motion the effect of which was to ask the committee not to bother hearing the parliamentary agent explain the difficulties surrounding this company and why no protection had been afforded under the federal charter. The hon. member went on to ask for an assurance in writing from the parliamentary agent. I think this hon. member was derelict in his duty since he did not even listen to the parliamentary agent's explanation of the situation and why we should override legislation designed to prevent this sort of thing happening. While I am sympathetic to this company, Mr. Chairman, I am sure that the hon. member who is sponsoring this bill will agree that we should only override such considerations in exceptional circumstances.

I am reminded of an argument that was used when we used to discuss divorce, namely, that divorce should not be allowed except in the particular case we were discussing. Each case from the province of Quebec was treated as an exception. We are, in effect, treating this case as an exception and saying that the rules should not apply.

I suggest that the assurance that was given to the committee is not worth the paper it is written on. It serves no purpose whatsoever because the parliamentary agent is not responsible to parliament. I am sure that in most cases the parliamentary agent does not even know what his relationship is with parliament. In fact, I suspect some of them have not even paid to the Clerk their $25 parliamentary fee. Therefore I think his word in this case carries very little weight, and his word to the company carries absolutely none.

We must remember that the parliamentary agent gets his information from the company only. I am sure he did not investigate the wishes of the company shareholders. Therefore they are not protected against the action that we are proposing to take, and in most cases I do not think we can provide them with such protection. We are taking away whatever protection the shareholders have by paying no attention to the fact that for three years the companies' branch was trying to get an assurance from the company that it was operating in the best interests of its shareholders.

Many hon. members will say that this is not relevant to the question now before the committee. I realize the hon. member himself is vitally interested in this matter because the situation occurred in his own area. I am also prepared to take his word that it would be a hell of a good thing to give these employees a long period of employment. But we must keep in mind that he is making an exception here in a legal sense in that we are overriding machinery that we have provided to prevent this sort of thing occurring. I hope this does not become a precedent.

An hon. Member: Not in your time.

Mr. Peters: There are some members of this house who will not learn much about the parliamentary system even after four years. It may be that what I say will not be given much consideration, but to those who want to

go for supper I say that I shall be here for a period yet.

If it were within my power to do so I would certainly not permit the passage of this type of legislation, and I am sure there are other members of the house who feel the same as I do. I think we are engaging in a dangerous practice in passing this legislation. I do not think we should override legislation that is set up to establish letters of patent, federal charters and so on. We should make sure that the shareholders of companies and others concerned are given protection in cases where such machinery is abused.

The procedure for so doing is fairly simple. All they need do is make a report to the companies' branch. The branch could then ascertain the facts and decide whether the shareholders should be protected. While we are sympathetic to the cause being espoused here, I suggest we are not at all in sympathy with the method being used, which might be considered a doubtful precedent for bailing out of trouble other companies that get into similar difficulty.

• (6:20 p.m.)

[*Translation*]

Mr. Dumont: Mr. Chairman, since we received explanations in French on that bill, we see our way about a bit more clearly, and I agree with the opinion expressed by the member who spoke before me: it may be dangerous sometimes to rush through bills of this type.

I find it somewhat surprising that members of the government party did not forward any explanations, at least to enlighten us. Considering the salaries of parliamentarians and ministers, we must be informed, because according to the explanations given us, it would seem at first sight that the whole idea was to get rid of someone. It is the first thing that comes to mind; this company was seemingly going to be dissolved or it was, once again, a case of camouflaging some manouvres which were not in the best interests of Canada.

So as the previous speaker said earlier, we will allow this bill to be passed, knowing that because of the promise given to the committee, we shall see, at some future time, a treasurer's report and will thus be reassured that we did not pass it with undue haste.

I sincerely believe that members of the opposition are able to prove their outstanding usefulness, and if, later on, in Canada or even in the United States shareholders of this company feel that their interests are endangered, it would be quite natural for them—as the government party does not appear to give further information, to come and see members of the opposition who could then tell the house what may happen when we pay a bill about which we are left in the dark.

Anyhow, we shall support this bill, as an exception to a rule. However, as the hon. member who spoke earlier mentioned, we should not make a habit of this sort of thing.

Mr. Breau: I would like to say just a few words, Mr. Chairman. I agree with the hon. member when he requires members of the ruling party who wish to introduce a bill to provide the house with every bit of information desired. The hon. member will however agree with me that the bill has been under the consideration of the Committee on miscellaneous private bills and standing orders and that there has been no pressure whatsoever to rush the proceedings or to conceal anything. I have always, together with the witnesses, answered every question. On the motion on second reading, I was here to answer any question that might be put and the hon. member will surely admit there has never been any constraint or any attempt at holding back the truth.

Clause agreed to.

On clause 2.

Mr. Peters: Mr. Chairman, this clause reads:

> Within the two months following the adoption of the present act, all returns prescribed by the said Canada Corporations Act, shall have to be filed and received for and in the name of the said company, notwithstanding any stipulation of the said act, or notice to the contrary.

How do we enforce this? What machinery is available to do so if these terms are not fulfilled? I suggest that we leave out clauses 2 and 3 because we do not have any machinery to enforce them, although there may be some justification for clause 3 because it is reinstating the charter under letters patent.

[*English*]

Mr. Breau: Mr. Chairman, I am sorry I have to disagree with the hon. member. Clause 2 is inserted to make sure that the returns that were not filed for three years shall be filed within two months. If the company does not file them within two months then the bill is void and the company has lost its charter, and the notices that have been served to the company have automatically been in effect. If the company does not file these returns then it

had better not come to see me to pilot another bill. I think it is important that the returns which were not filed for three years be filed within two months.

Mr. Peters: I am sure that was the intention. If so we should amend the clause to say that if its terms are not adhered to within two months then the bill becomes null and void. Unless we write this into the legislation we have no agency to act on our behalf to see that the terms of the clause are fulfilled. We should write in a penalty making the bill null and void if the said conditions are not lived up to because otherwise we do not have anything to enforce them.

Mr. Howard (Skeena): Mr. Chairman, if I understood the sponsor of the bill correctly he said that if the returns are not filed within two months of the bill becoming law then the effect will be that the act will become null and void. If I am correct then, with great respect, I submit that he is entirely wrong. Once parliament passes a law, that is the law.

Clause 1, which we have just considered, says that the various notices that have been given and Gazetted and published pursuant to the Canada Corporations Act shall be deemed never to have had effect for Atlantic Peat Moss Ltd. That is what this bill is doing. It is saying that those particular notices are wiped out and shall be deemed never to have existed.

Clause 3, which we have not reached, talks about the rights, obligations and liabilities incurred since the issuance of the company's letters patent and says that the company shall continue in operation as if it had never been dissolved. There is no requirement here which says that if the company does not meet the requirements set out in clause 2 then the effect of the bill shall be null and void, as advocated by the hon. member for Timiskaming. I am sure the sponsor of the bill would agree that the committee could write a penalty type amendment saying that if this requirement is not lived up to then the act shall cease to have force and effect.

In this case parliament is being asked to make an extremely extraordinary decision. We are being asked to say in effect that something did not exist when it in fact existed. We are being asked to use the eraser, to wipe the slate clean, to say that the parliament of Canada says that all the things that happened did not happen.

• (6:30 p.m.)

All the members who have participated in this debate have thought of this action in terms of being a precedent and of a subsequent parliament harkening back to it and saying: parliament did that and therefore it is all right to do it again. It seems to me that we should write in some penalty provision. I am sure this could be done. I believe there should be something which would indicate that if there was failure to meet the commitment to the parliament of Canada to file certain returns within two months of the adoption of the act, the force of the act should disappear. If the hon. member would agree to that, perhaps we could spend a moment writing an amendment around it.

Mr. Breau: The hon. gentleman is right when he states that once parliament has passed an act all clauses of the act are also passed. I do not see the necessity to have a penalty. This is merely to protect parliament and engage the committee to file the annual returns of the corporation. Unless they do this the notices will have an effect on the charter of the company. Although I am not a lawyer, this would seem to me to be clear.

Mr. Howard (Skeena): Mr. Chairman, we are in agreement on at least one aspect of this; that is, once parliament passes an act it is the law of the land. If that law is silent on a particular point and is silent on the point of a penalty, then how can something cease to exist? The act will still have full force and effect. Perhaps I might read clause 2 in its entirety where it says:

> Within two months following the adoption of the present act, all returns prescribed by the said Canada Corporations Act, shall have to be filed and received for and in the name of the said Company, notwithstanding any stipulation of the said act, or notice to the contrary.

The difficult part is where it says, "the said act". I assume this has reference to the Canada Corporations Act since it mentions stipulations of it. The wording is, "any stipulation of the said act, or notice to the contrary".

Although we are not dealing with clause 3, perhaps I might allude to it since I believe it relates to the whole matter we are discussing. It says:

> Nothing in the present act shall be construed as depriving or discharging the directors, and shareholders and the company of any right, obligation or liability incurred since issuance of its letters patent and the said company shall continue in operation as if it had never been dissolved.

If clause 3 were to say, "and shall continue in operation as if it had never been dissolved", followed by words such as, "if the returns required to be filed by clause 2 are

not required, then the act would cease to have force and effect", what the hon. gentleman says would be correct.

I should like to move—

—that clause 2 be renumbered clause 2 (a) and that a new clause 2 (b) be inserted as follows:

"Failure to comply with the requirements of section 2 (a) will make all sections of this act null and void."

That is what the hon. gentleman has agreed should exist. If it is not spelled out I do not believe it could be interpreted in that way. I put forward the above amendment seconded by the hon. member for Timiskaming. I do not think there is any disagreement among the hon. gentleman, the hon. member for Timiskaming, myself, and anybody else, about what parliament should do. It is a matter of ensuring that what we want to do is properly formed in the words of the act and the bill itself. It may be that one could quibble about a sentence or a word or two in the amendment. Perhaps the drafsmanship is not as precise as it would be were it done by one who spends his time drafting legislation. However the facts are there, and if accepted I believe the amendment would probably clear up what the hon. gentleman sponsoring the bill, and others in this house, want to see done.

The Chairman: Shall the amendment carry?

[*Translation*]

Mr. Mongrain: Mr. Chairman, were I not convinced that our two colleagues of the New Democratic party are intelligent, I would say they did not understand anything. However, since they are clever, I have come to the conclusion that they want to make some kind of filibuster. There is an old saying: There are none so deaf as those who will not hear.

The clause we are studying is clear, Mr. Chairman, and it seems our friends are muddling up clause 2 and clause 3, which are entirely different.

Clause 2 says:

Within the two months following the adoption of the present act, all returns prescribed by the said Canada Corporation Act, shall have to be filed and received for and in the name of the said Company, notwithstanding any stipulation of the said act, or notice to the contrary.

It is not necessary to be very competent to know that the companies not abiding by the provisions of the Canada Corporations Act—and I am sorry I do not have the clause before me—immediately lose their operation rights. This point is sure.

However, let us imagine that a director of the company wants to resort to this gimmick to have it evade its responsibilities towards its customers or the government or any others. Clause 3 states that under the Canada Corporations Act, even if the said company has not fulfilled all its obligations according to its charter or finds its operations crippled, its responsibilities remain the same.

It seems to me that this is crystal clear, Mr. Chairman, and those who do not understand must deliberately refuse to do so. The amendment suggested is therefore superfluous and unnecessary, since there are already in the Canada Corporations Act provisions for such cases.

Mr. Dumont: Could the member for Trois-Rivières inform us why he would oppose such an amendment if it is to shed more light on the situation?

Mr. Mongrain: Certainly, Mr. Chairman. I am against it because it is absolutely unnecessary. Why repeat something that has already been said in such an important and basic act as the Canada Corporations Act?

[*English*]

Mr. Howard (Skeena): Mr. Chairman, I did not raise this by way of a point of order because it is not really that valuable a contribution the hon. member for Three Rivers has just made.

[*Translation*]

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

[*English*]

I remember that my hon. friend once said that if I said "British Columbia" in this house he would say "Trois Rivières". I have always said "British Columbia" since then, so I have honoured my part of the agreement.

• (6:40 p.m.)

Mr. Howard (Skeena): I think if the hon. gentleman will recall the discussion we had about the use of the designation "Columbia-Britannique" he will remember that I suggested to him—and this was when he sat on this side of the house and was only an honorary member of the Liberal party, not a full-fledged member—that if he and his colleagues from the province of Quebec would quit referring to my province as "Columbia-Britannique" I would gladly refer to his constituency by the name he gives it. That has not happened. In any event, we had some discussion

subsequent to that. I am not knowledgeable in terms of detailed understanding of linguistics, languages or grammar, but I have discussed this matter with the people who are knowledgeable, and I have been told what the situation is. It has been suggested that in referring to a riding you must use a proper noun, and the name of a constituency falls within that category. The name being a proper noun, it is correct to refer to the constituency in the French language as Trois-Rivières, as the hon. member does, or in the English language as Three Rivers, and each is correct.

Mr. Guay (St. Boniface): Mr. Chairman, I rise on a point of order. This has nothing to do with the bill.

Mr. Howard (Skeena): The hon. member for Three Rivers, ou Trois-Rivières, raised a point of order. Surely hon. members on the other side must know what is going on.

The Chairman: Order, please. It might be in the interests of the committee as a whole if we returned to the amendment, the clause as amended, the clause as it is, or at any rate some part of this bill.

Mr. Howard (Skeena): I take it, Mr. Chairman, that there is no point of order as raised by the hon. member for Three Rivers, and I can proceed to deal with the subject under discussion. The hon. member for Three Rivers, ou Trois-Rivières, whichever you like, said that the amendment before us, as I understood the translation, was part of a systematic obstruction on our part. I presume he meant on my part, as the mover of the amendment, and on the part of the hon. member for Timiskaming, the seconder, and incidentally the drafter of the amendment.

In dealing with this accusation of systematic obstruction, let me point out that before we embarked upon the consideration of this bill, when Mr. Speaker was still in the chair, after a discussion with the parliamentary assistant to the President of the Privy Council, who anticipated the early passage of this bill, I suggested to the house that it make an order to the effect that upon the conclusion of this bill the house should recess for supper. Parliament only makes such an order when there is an expectation that an item under consideration will be concluded before the expiration of the private members hour. I took that step on that basis. The accusation of the hon. member regarding systematic obstruction is an indication to me of his lack of appreciation of the facts of parliamentary life.

[Mr. Howard (Skeena).]

The question as to whether this bill will have some validity arose subsequent to a conversation in respect of clause 2. The answer we obtained from the sponsor of the bill, and I forget the name of his constituency, was that if the company did not file its reports within the required time the bill would be null and void. Perhaps I misunderstood him. Will the hon. member clarify this?

Mr. Breau: Mr. Chairman, what I intended to say was that if clause two of the bill was not complied with by the company it was automatic that the bill would be null and void.

Clause 1 says that the notices given on June 2 and June 17, 1967, and June 22, 1968 in the *Canada Gazette* by virtue of section 125(12) of the Canada Corporations Act shall be deemed never to have had effect as for the Atlantic Peat Moss Company, "subject to the following sections." This means it is subject to clauses two and three of the bill. As far as I am concerned the amendment is repetitious and that is why I cannot see the necessity for it.

The hon. member for Skeena suggests that if we pass clause 1 it will become law, but it will be the law subject to the other sections. I am not a lawyer, but this is very clear to me. If the company does not fulfil its obligations so far as clause 2 is concerned this bill will be no good and will have no validity.

Mr. Peters: Mr. Chairman, I am not a lawyer but I think that what will happen as a result of the gazetted notices on the 2nd and 17th of June, 1967 and the 22nd of June, 1968 under the Canada Corporations Act, or a failure to live up to the obligations, is that at some period subsequent to the publication the charter will be revoked. We are not by the amendment wiping out the company, we are simply wiping out the notice required.

I am not in a position to say who drafted this bill, but I suppose it was drafted by a lawyer with little experience in parliamentary procedure. The bill goes on to say in clause 2 that the company must do certain things within a certain period of time. Clause 3 contains an entirely different obligation. What we are suggesting is that if these obligations are not met we reverse the situation and reinstate the obligations in respect of notice. We are suggesting that in that event this obligation should apply. If the amendment moved by the hon. member for Skeena

is accepted, and the obligations are not met, this bill will be deemed not to have been passed.

There is nothing in the bill which suggests that the notices required to be published on June 17, 1967 and June 22, 1968 are now in effect. Apparently they have been published and we cannot reverse that. If the company has met the requirements of the Canada Corporations Act it has met these obligations. All we are suggesting is that we waive this notice. In clause 3 we go further and say that we should forget about the whole thing and that it did not happen. We suggest that the personal liability on the part of the directors of the company should apply.

I am prepared to allow this bill to stand in order that the hon. member might consult the legal personnel, but I am of the opinion that we are not asking for anything other than protection, so that if the company again fails to live up to the obligation in respect of notice, appropriate steps can be taken. The company has failed to live up to these obligations for a period of three years. Perhaps the hon. member would like to move another amendment changing the period from two months to perhaps four or five months. We say that if they do not live up to it, this bill does not apply; the requirements of the old charter with regard to notice of termination will apply and there will automatically be a cancellation of the company.

• (6:50 p.m.)

I am not wedded to the idea of two months. I did not write this provision in the bill; the hon. member or his lawyers wrote it in. I have no objection to that provision being changed, but I suggest we have to include some protection in the bill otherwise a long period of time could go by and we would find we had already wiped out the notice, and the only thing the companies branch could do would be to start all over again, unless we do something to wipe out the terms of our amendment.

It sounds to me rather like the situation where a marriage has taken place, a separation is sought and then we wipe out the separation by applying for an annulment. I suggest that if we write in this provision we will eliminate the annulment and get back to the separation again. It seems very simple to me and I do not know why there should be any objection to writing into the bill this very small amount of protection so that the house does not do something that it will regret in the future.

Mr. Breau: Mr. Speaker, I do not see the necessity for the amendment because it is quite clear, as far as I am concerned, in clause 1 that if the company does not file its return within two months it cannot use the provisions of this bill. But I agree with the hon. member that there is nothing wrong with the amendment, so I am ready to support it.

The Chairman: Shall the amendment carry?

Amendment (Mr. Howard, Skeena) agreed to.

Clause as amended agreed to.

Clause 3 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

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

Some hon. Members: Now.

Mr. Howard (Skeena): On division.

Mr. Breau moved the third reading of the bill.

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

Mr. Deputy Speaker: Order. Pursuant to special order made this day, the house will now recess until 8 p.m.

At seven o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

SUPPLY

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

The Chairman: Order. The hon. member for Lac-Saint-Jean.

[*Translation*]

Mr. Lessard (Lac-Saint-Jean): Mr. Chairman, before the six o'clock adjournment, I was talking about the arbitration method now used with regard to collective bargaining.

If the situation is so tense today in the field of collective bargaining it is because monopolies have appeared in our industry and that has led to the creation of the labour

movement which in turn tends to monopolize things. In fact, the labour unions are becoming more and more powerful and they bring together a very large number of workers in order to countervail the power of private enterprise.

Therefore, I do not think that we should be shocked at the fact that our trade unions merged, that the various groups united, to be in a position to offset the opposing power.

Mr. Chairman, if we want our economy and especially labour relations to operate more smoothly, more progressively, we must amend the present arbitration legislation to make it more functional and likely to bring about solutions to problems facing the various groups, during the negotiations for collective agreements.

Mr. Chairman, one fact remains in all that: the rising prices and salaries. With the inflation spiral, in the end we are worse off than we were at the start.

After checking with a good number of workers and citizens in my riding, I am wondering whether setting up a control board of prices and salaries might not be indicated.

A while ago, a member for Hamilton-Wentworth (Mr. Gibson) mentioned this possibility. I would go even a bit further: I ask that consideration be given to the advisability of setting up a board to control prices and salaries, on a temporary basis, so that we might return to a realistic and reasonable equilibrium in this aspect of our national life. I believe it would be wise to have such a board which could, with other competent people, arbitrate, if you will, prices and salaries in order to adjust the various sectors.

At the present time, you have well-organized groups of workers, strong industries, and they can demand and obtain decent living conditions. Still, between those two groups, you have this mass of Canadian citizens who are crushed, so to speak, between the two powerful blocks facing each other. I feel that we need some control system of prices and salaries, even if it were only on a temporary basis, in order to go back to a reasonable balance.

I wonder whether, starting from this new balance, it might not be advisable to apply same correction to lower prices and salaries so that we might compete on world markets. For instance, there are countries like Japan where the standard of living and salaries are generally fairly low, that manage to compete with the countries in our hemisphere precisely because their prices are lower. I feel this possibility should be looked into.

[Mr. Lessard (Lac-Saint-Jean).]

At the present time, the point which surely concerns the hon. Minister of Labour, is the famous question of unemployment. I wonder whether it might not be well to declare war on unemployment. Let the country be put on a war footing. If Canada were attacked by any opponent from the outside, all its energies, industries and citizens would be mobilized instantly to fight for the country. But the fact that we are tolerating this group of unemployed constitutes, up to a point, an enemy, since our unfortunate brothers take away part of the country's production without directly contributing thereto.

This segment of the population—and I refer here to the recently published report of the Canada Economic Council—represents a rather significant percentage of our people, almost a third, who do not have the same standard of living as their fellow-citizens.

Mr. Chairman, I think all the energies and efforts available in Canada should be mobilized to fight the scourge of unemployment. I believe that Canada cannot afford the luxury of having so many unproductive citizens, so many people who forcibly have a minimum consumption, but who are consumers just the same, while not contributing to the production. I contend that we cannot afford that kind of luxury, particularly when we consider all that remains to be done in this country. It is illogical to hold up that energy, that potential instead of using it to complete what has already been started and also to start new projects.

Furthermore, after reviewing the needs of other countries, we could use our imagination to produce more in a number of other areas and then give part of our production to other nations whose citizens suffer and die by the thousands in some cases.

• (8:10 p.m.)

Mr. Chairman, in concluding my remarks, I should like to refer to another matter, automation. I mentioned automation in my remarks on the budget. I think it has also been mentioned by the hon. Minister of Labour in his speech. I may therefore rightly raise the subject again.

Automation, mechanization and modern technology must be taken into account. I ask the hon. minister to let us know as soon as possible what legislation he intends to present and in what fields it will be applied. On page 2 of the text of his speech, it is said that that legislation is being prepared. I am anxious—and I think

the majority of the members of this house are equally anxious—to see what measures the government, and in particular the Minister of Labour, intend to take so as to correct the situation which affects workers in the whole of Canada.

I want to draw the attention of the Minister of Labour and the Minister of Forestry and Rural Development (Mr. Marchand) to a typical example. In the ending of Lac-Saint-Jean, a municipality of 2,000 inhabitants will be affected soon by the closing down of its only plant. The Saint-Raymond Paper, a pulp and paper plant, announced two days ago that it was closing down at the beginning of March. As a result, 200 families will find themselves destitute and we will have to support them through taxes, by giving them social welfare and unemployment insurance benefits. Is that a desirable situation?

Mr. Chairman, that plant had been established 46 years ago and, during the first years, it yielded profits. However, the management forgot to invest money for the development of the factory and today it cannot even survive, because they did not mechanize or modernize their equipment. Today, they are compelled to shut down on account of competition. We have there an example which specifically proves that businesses have no choice; they must develop and modernize their production line.

It is a known fact that workers are laid off due to automation, but we have the proof today that this company must shut down, because it was not improved. It is not 10 or 12 workers who are laid off, as a result of technical progress, but actually 200 family heads. They are laid off, because during the years preceding the shutting down of the plant, no improvement was done to enable it to compete against other plants.

Mr. Chairman, the municipality of Desbiens in the Lac-Saint-Jean area is doomed to become a ghost town, because that is the only plant there. I have submitted the problem to the Minister of Labour, to the Minister of Manpower and Immigration (Mr. MacEachen) and to the Minister of Forestry and Rural Development. I hope—which I urge them to do—that they will combine their efforts to consider what could be done in co-operation with the provincial government to enable that Desbiens plant to continue its operations.

According to the company's spokesmen, some temporary solution could be applied apparently while waiting for a permanent one, and if the governments stepped in before the plant closed down, I think it would be possible to keep 200 workers on the job, in the hope that, in the meantime, some permanent solution could be found, so that this plant would not only remain in operation but also flourish in order to create more jobs in the Saguenay-Lac-Saint-Jean area.

[*English*]

Mr. Lundrigan: Mr. Chairman, lest it go unnoticed, I should like to draw to the attention of hon. members the colourful flowers being worn by hon. members to my right. I hope this is an indication of their flowery outlook on the situation and perhaps an optimism for the future of our Canadian society.

Some hon. Members: Oh, oh.

Mr. Lundrigan: This is the first time I have ever received applause from people of that particular political stripe. In all seriousness, before my time runs out I think I should compliment the minister upon his very fine statement this afternoon. We are hoping that statements of the kind that have been made by hon. members this afternoon will be translated into reality in the Canadian nation of today and tomorrow, because I think the portfolio for which the minister has responsibility is going to become more important, not less important, as may be the case in some other areas of the estimates before us.

I should like to take advantage of this opportunity to make a few general remarks. I have been connected with the labour market, contrary to what many members might think, in connection with everything from railroad building to fishing, trapping for the department of mines and resources, and almost every aspect of the labour market. In fact I have had a lot of practical experience in trying to survive in this society of ours, especially in a particular region of Canada.

With Christmas coming on and the winter months setting in across Canada, I wonder how we can take pride in our Canadian nation. I should like to refer to the people in many parts of Canada today, for example in Quebec, northern Ontario and in northern Canada generally, parts of British Columbia and the whole Atlantic region. These people cannot even think in terms of providing food for the winter, let alone the provision of gifts from Santa Claus for their children. They cannot even think of providing adequate shelter, clothing or the necessities of life, not to mention the important necessity of education so that eventually these children can look to

the future with a little bit of hope of getting out of the despair in which they presently find themselves.

How can we talk about the affluent society in this Canadian nation, when we realize that in many regions of Canada there is no affluency, but rather a pseudo type of affluency resulting from the fact that people can more easily borrow money than they could a few years ago, and consequently have more debt than they ever had before. If the Minister of Justice were here, I should like to ask him what constitutes a crime in Canada. Of course the Chairman might rule me out of order on that question, because it would be construed as being off the topic of debate. I contend that there is a great crime in the Canadian nation today, and that crime is being committed by most of the big businesses and the various other agencies that have control of the labour market.

The consequences of this crime are low wages, a low standard of living, the high cost of living and unemployment. People in various parts of Canada are being classified as having committed a crime just because they were born in a particular part of Canada. Somebody in Canada, in many cases this government and as I have indicated businesses of various types, construction companies of various types, have elected to classify as a crime the fact that people live in a particular part of Canada. In my opinion this is a fairly serious situation. We have heard quite a bit of conversation about one Canada. This concept originated when I was a much younger man than I am right now, and dates back ten or 12 years. I believe there has been some effort made to turn the concept into a reality.

We heard quite a bit of comment about one Canada during the recent election. Many people in various parts of Canada were given the hope that Canada would become great. I contend that as long as we have the amount of regional disparity that we have in Canada today, we are going to have not two or three Canadas, but 15 or 20 Canadas. Unless this government is prepared to tackle the problem of regional disparity, not only in the Atlantic regions but many other regions of Canada, we are going to have a multiplicity of Canadas. This is the one great fear I have as a young Canadian. In order to fight regional disparity, there has to be provision for stimulating the economy. These stimulants are employment and a just wage structure.

[Mr. Lundrigan.]

• (8:20 p.m.)

In the few months I have been in Ottawa a great deal of my correspondence has had to do with the low wages that Canadians in this country are paid. That applies not only to the people of my region but to those all across the country. I hope the minister will take note of my remarks and do something to correct this state of affairs. Many of our workmen across Canada are not receiving the minimum wage to which they are justly entitled, by law. Whether people work in industry, construction, for federal or provincial governments indirectly—that is, in projects coming under the jurisdiction of those governments—or in private enterprise, many of them are not receiving a fair and just wage. In other words, our wage earners are not receiving the wage that is theirs legally.

Hon. members have talked a great deal about the minimum wage that is paid to workers across Canada. Failure to pay that minimum wage shakes one's faith in our society. The winter months are approaching and some people in Canada are faced literally with semi-starvation, and all the ills of an environment which would be disgraceful even in poorer parts of the world, let alone in Canada. There are loopholes and clauses in government contracts as a result of which companies take advantage of their workers and pay them less than that to which they are entitled, by law. This makes one wonder about the sort of society we live in.

I will not expand on my remarks. I have already made representations to the minister with regard to specific areas in which Canadian workers are being gypped of their legal right to wages. I hope the minister will use his good offices to bring about an investigation that will rectify some of these things. That this state of affairs exists in Canada is a crime, and I use that word intentionally. Many in Canada do not earn an income which will even remotely give them a decent standard of living.

The hon. member who led off in this debate said that in the Atlantic region over 5 per cent of the people are unemployed. In some parts of Canada such as Newfoundland 20 per cent of the people are unemployed. I have talked to hon. members from Quebec who have indicated to me the serious situation existing in their province at this time.

An hon. Member: We are listening to you over here.

Mr. Lundrigan: It is fine for the hon. Liberal member to say he is listening, but it is time someone said what is to be done. Perhaps the hon. member who just interjected might like to stand up and tell us about the problems in his province. Perhaps hon. members from different parts of Canada might like to follow the courage of their convictions and tell us of the problems existing in the parts of the country they represent. For instance, there are grave problems in northern British Columbia as well as in Ontario.

I am proud to stand here as a member of the opposition and talk of problems that affect all Canadians. I am bringing these problems to the government's attention, and I suggest hon. members on the other side of the chamber might do the same. Since other hon. members may wish to make their contribution to the debate and bring the attention of the government to the problems in their respective province, I shall say no more.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, so many speakers this afternoon and this evening have made remarks that were pro-labour and pro-union, and so many speakers have dealt with problems that concern members of trade unions, that I feel I should start my remarks by saying, "Brother Chairman, sisters and brothers". When I look about me, though, I realize I am not in a union hall.

Brother Chairman, I should be less than frank if I did not begin by saying something about the speech this afternoon by Comrade Mackasey. In fact I was quite impressed by the answer the Minister of Labour gave to my question on orders of the day concerning action on the Freedman report. Likewise I was impressed by the fine speech he made when introducing these estimates this afternoon.

The Leader of the Opposition took issue with the Minister of Labour—

Mr. Mackasey: As usual.

Mr. Knowles (Winnipeg North Centre): The Leader of the Opposition said he thought the minister was lecturing us, lecturing the house and lecturing the public. There was a certain amount of lecturing in the speech but I forgive him for that, for it seems to me that included in his remarks there was a clear indication that he was lecturing his fellow members of the cabinet. If I understood him correctly he was saying to those cabinet colleagues who were here that, so far as he was concerned, the Department of Labour has to move ahead. It must have the permission of the cabinet to bring in legislation to implement the Freedman report, to do something about the Industrial Relations and Disputes Investigation Act, to do something to step up the enforcement of the Canada Labour (Standards) Code and the Canada Labour (Safety) Code. It must do something about discrimination. You know, all told it was a good speech. It was the kind of speech I can imagine the minister making in cabinet and I think he deserves full marks for making it here, out in the open, on the floor of the House of Commons.

Some hon. Members: Hear, hear.

Mr. Knowles (Winnipeg North Centre): I thought he was serving notice that he wants his department to be a department of and for labour. He wants the work of his department to result in labour's having a rightful place in this country. In some portions of his speech he dealt in generalities, but in other portions he was specific, and I congratulate him for that and I confess that I congratulate any Liberal, especially any Liberal cabinet minister, with reluctance for every instinct in me tells me it is the wrong thing to do.

Mr. MacEwan: You had better beware.

Mr. Knowles (Winnipeg North Centre): My experience in this house is to beware when a Liberal, especially a cabinet minister, makes a promise and tells us something will be done. I do not mean that the promise will never be implemented, but it takes an awfully long time. Some of my colleagues would like me to mention the year 1919; the Liberals do not want me to do that, because some of them were not born then. Nevertheless, Mr. Chairman—brother chairman—and I see we are changing brothers in the chair—

The Acting Chairman (Mr. Richard): Yes.

Mr. Knowles (Winnipeg North Centre): —despite my instincts that tell me it is wrong, and that I am making a mistake and will regret it, I will say that in light of what the Minister of Labour said this afternoon, I am prepared to give him a chance. I am prepared to give him a reasonable period of time—I will not tell him how long it is—to deliver and come through with some of the things concerning which he spoke so vigorously this afternoon. I have already credited him with having been specific in two or three cases, so let me add to the list of

specifics on which the minister must act if he is to carry through with the position that he staked out in his remarks this afternoon.

• (8:30 p.m.)

It all began today, Mr. Chairman, with his answer to my question about the Freedman report and his report and his further reference to it in his opening remarks on these estimates. As we all know, the philosophy of the Freedman report is especially important to Canadian labour. My colleague the hon. member for Oshawa-Whitby has already spelled out the details.

In the main the Freedman report says that workers have just as much stake in their jobs as management has; that workers have rights with respect to their jobs which are not to be sold down the river by management. I was delighted to hear the Minister of Labour say this afternoon that certain recent experiences have persuaded him that it is not good enough just to do what the previous minister of labour did, which was to tell us that the department would take action on the matter. The minister stated clearly that legal legislative steps have to be taken.

A former minister of labour, whose name somebody over there could not remember, used to say that he always said things in a kindly way, so I am going to turn these kindly references to this Minister of Labour into straightforward congratulations if within a reasonable time he has before the house legislation amending the Freedman report.

That would be fine, Mr. Chairman, but the minister cannot stop there. There is also the whole question of amending the Industrial Relations and Disputes Investigation Act. I know that if I remind this minister that his predecessor but one—his penultimate predecessor, the present Minister of Manpower and Immigration—promised on a certain occasion a few years ago that that act would be amended the next year, I need not point out that in fact it was not amended.

The minister will probably tell me that in the meantime the Woods commission has been established and that we are of course waiting for the report of that commission before action is taken on this question. However, Mr. Chairman, the indications are that that report will be received soon, and surely the department itself is thinking about the things the commission is studying. Therefore I suggest that there are improvements affecting the whole process of collective bargaining that need to be made in the legislation.

[Mr. Knowles (Winnipeg North Centre).]

I trust that the Minister of Labour, who is a man who tries to see all sides of the issue, will be aware of what some of us think were the pitfalls that were put before us last year in what was then Bill No. C-186, and that he will see to it that any amendments he proposes to the Industrial Relations and Disputes Investigation Act will not have as their possible result the fragmentation of the collective bargaining process in this country.

I am prepared to leave discussion of that legislation at that point, Mr. Chairman, recognizing that we have to receive first of all the Woods report. But let us not have the Woods report lying around for as long as the report on unemployment insurance has been lying around, or have it lie around for as long as we have had the Liberal platform of 1919.

However, Mr. Chairman, let me move on; as I say I am being very helpful to the Minister of Labour. I liked his speech this afternoon and I think I should reciprocate. I am therefore suggesting things that he could do to show that he really meant it when he said that he wanted to make his department one that will serve the working people of this country.

I think it is time he took a good hard look at the Canada Labour (Standards) Code. Time moves fast in this day and age, so let him not tell us that it has been on the books for only a few years, that we must live with it for 10 or 20 years before we change it. I suggest that he take a look in particular at the minimum wage provided in the legislation. Other people have talked about the minimum wage this afternoon but nobody ventured a figure. Even the hon. member for Prince Edward-Hastings, who wants the minimum wage raised, did not say to what figure it should be raised.

If the Minister of Labour would like to have it, Mr. Chairman, there is a bill of mine in the list of private members public bills that suggests that the minimum figure should be not less than $1.75 an hour. At present it is $1.25 an hour. I am not terribly proud of the figure of $1.75 an hour, but I think it is at least a minimum below which people should not be asked to work under any condition. Even if a person receives the minimum wage of $1.75 an hour, working a 40-hour week for 50 weeks a year, he will still earn only $3,400 a year, which is about at today's poverty line. So where does that leave the present $1.25 minimum wage, particularly in the case of those who do not get work all year round? Therefore, Mr. Chairman, that is one matter

on which his own stance this afternoon calls for action.

I would ask him to take a look at the holiday provisions in the Canada Labour (Standards) Code. The code still provides for only two weeks holiday a year, after one year employment with the same employer. I urge that in this day and age this period should be lengthened. Again, Mr. Chairman, I point out that I have a modest bill on the order paper that suggests that after three years employment the annual holiday should at least be three weeks a year.

The minister might also look at the question of statutory holidays. When the bill was brought in some years ago it contained provision for seven statutory holidays. We were able to get that bill amended on the floor of the house in committee of the whole so that it provides for eight statutory holidays. I see no reason why there should not be at least nine holidays. I suggest there is really nothing wrong with the principle that there be at least one statutory holiday per month in this country, particularly since it is a cold country and a few days off in the middle of the winter season might be a good idea. Therefore I urge the minister to take a look at that suggestion. However, if I am going too far in suggesting one day a month, 12 days a year, we should at least raise the figure of eight to nine.

The provisions of the Canada Labour (Standards) Code relating to the 40-hour work week also might be improved. However, in all realism I suppose I would have to admit that the first job is to get the 40-hour week really lived up to.

By the way, Mr. Chairman, I would call upon the Minister of Labour to include in the stance that he has taken a clear indication that he is not going to be led down the garden path by some of his backbenchers. As the minister knows, there are a couple of private members bills on the order paper in the name of Liberal members, one of which seeks to reduce the position of labour so far as collective bargaining in the civil service is concerned. The other would deny the 40-hour work week to certain workers who fall within the federal labour code. So that while the minister is making these forward steps I suggest that he watch he is not knifed in the back by some of the brothers over on that side of the house.

Then I would urge the Minister of Labour to see to it that his department get cracking on the Canada Labour (Safety) Code. He will remember how in a certain session a year or two ago we were pressed by a former minister of labour—the last one—to get this legislation through. We were debating it in committee and taking time to go into its details. The minister of labour pleaded with us to get the legislation through because the government wanted to get things moving. I do not know whether the regulations under the act are in effect even yet. I see the minister shake his head. He should also shake his head in shame, if he had been the minister for very long, but he does not have to do that because he was not. However, he is the minister now. I will give him a little time to deliver the goods, Mr. Chairman, but this is an area where the goods must be delivered.

• (8:40 p.m.)

I think the minister has to go beyond some of the things that have been regarded as his particular area—for example, the matters I have named such as the Freedman report, the Industrial Relations and Disputes Investigation Act and the two labour codes. He must also be concerned about things such as poverty—yes, pensions—yes, and the concept of the guaranteed annual income. I was glad to hear the Minister of Labour say this afternoon that he felt it was his responsibility to be concerned about the people who are not able to keep up with inflation. Inflation is a word that gets tossed around a lot in this house and in public debate throughout the country. It is said time and time again that governments must somehow stop inflation, and if the government of the day does not, the opposition of the day condemns it out of hand. Then when the two get reversed the same thing happens in reverse.

I quite agree that steps have to be taken to control the rate of inflation. Steps have to be taken in that area, but let us face the fact that if history, especially the history of the past couple of hundred years, is any guide, we are not going to keep prices where they are. Prices and wages in the year 2000 are not going to be what they are today. Price increases and wage increases are going to take place. The role of government, the role of society in this is to see to it that certain people who cannot defend themselves are not hurt because this happens.

Those who have collective bargaining, and those who get the benefit of wage increases because other people do their collective bargaining for them, are able to keep up to some extent with the cost of living and the increased standards of living. But those on

fixed incomes, pensioners in particular, do not have any opportunity to do this, and this is where society and where the government has to step in.

The present occupant of the Chair is fully aware of my concern for one particular group of pensioners. But there are other kinds, other groups of pensioners, particularly people on industrial pensions, who face this problem, and I say it has to become the concern of the Minister of Labour that somehow we get built into our pension schemes arrangements for pensions to escalate so that no group in our society is hurt by inflation. I call upon the minister to take on this idea, along with the others about which he must concern himself.

I have made passing reference to the guaranteed annual income concept, which I think has to come. I think some day it will take the place of minimum wage legislation and unemployment insurance. I plead with the Minister of Labour not to confuse the concept of a guaranteed annual income with the guaranteed income supplement that is in effect so far as old age security is concerned. I am sure he knows the vast difference between these two concepts. I am sure he agrees with me that, taking into account the speed with which things are moving, the explosions all around, 20 years from now if all we have achieved is guaranteed supplementary income, then the poverty of retired people is going to be staggering.

The work pattern is going to shift tremendously. Automation is going to produce drastic changes. Instead of our going blind into all this uncertainty and confusion we should plan for it, and should start now to make arrangements for a guaranteed annual income. Some ministers may say that this concerns some other department such as Finance, or Health and Welfare. It is probably a major concern of the whole government, but this is the minister who is responsible for the well being of the working people of this country, and this is the place where the planning should start.

Now, Mr. Chairman, there is one other branch of the work of this department about which I should like to say a word. It involves the question of unemployment insurance. This afternoon the minister pointed out that we dealt with these estimates in the standing committee to which they were referred. But they have been referred back to the committee of supply and we have them before us now, and so I want to urge upon the minister the urgency of the amendments to the Unemployment Insurance Act which have been promised ever since the Gill committee made its report. I am not suggesting they should just be the recommendations made by that committee: There are many improvements and changes that must be made to the Unemployment Insurance Act.

This is the minister who said this afternoon that he is going to make something out of the Department of Labour. This is the minister who so impressed all of us that we feel we are in a union hall tonight. I say it is time for him to see to it that a job is done in amending that act. In the meantime, even before it gets amended, I urge the minister to take a personal interest on the other side of a question which has been given a great deal of publicity, and that is the desire of the Unemployment Insurance Commission to cut down on cases of fraud against the commission and against the fund.

Let it be perfectly clear, Mr. Chairman, I do not want to condone fraud in any way. I do not want to throw any cold water on any efforts to cut down fraudulant practices, but I do suggest that the way the commission is going about this is going to create an impression among a lot of people that there is a lot of chiselling going on, that downright thievery is taking place, with the result that anybody on unemployment insurance may be suspect.

I say quite frankly that I do not like this pamphlet put out in both languages by the Unemployment Insurance Commission titled "Are you really available for work?". Among other things it gives five examples of people who broke the law. They are all anonymous. One is a waitress, another a railway conductor, and the third a stenographer, the fourth a seasonal clerical worker and the last a sales clerk. No doubt they are samples from the files of the commission, but when you put out this kind of literature you create the suspicion that there is a wholesale amount of this type of thing going on.

The Unemployment Insurance Commission admits that the fraud that takes place amounts to only 2 per cent of the total. An editorial in the Toronto *Daily Star* of November 16 pointed out that the retail industry would count itself lucky if its annual loss through shoplifting was a mere 2 per cent. But there is the other side of the coin. The reason I raise this is because in my experience many people feel they are defrauded

of their right to unemployment insurance because of the extra zeal of some of the department's officials who call people in, after they have been put on benefit, and get them to make the kind of statements which result in their being cut off.

We went into this question in some detail when dealing with the estimates in the standing committee, and so I do not intend to pursue it further at this time. But I do want to point out that in the minister's absence, when he was over at Geneva at I.L.O. meetings, the Prime Minister answered a question of mine on orders of the day in a manner that I found eminently satisfactory, and I hope the Minister of Labour, if he does not already know about it, will see to it the Prime Minister's statement is carried out.

On Wednesday, November 13, as recorded at page 2685 of *Hansard* I asked:

> In view of the announcement that has been made of increased efforts to check abuses with respect to the unemployment insurance fund, will similar efforts be made to protect the rights of those who qualify for unemployment insurance to have their benefits continue without overzealous officials applying the availability clause too severely?

This was the reply of the Prime Minister:

> Mr. Speaker, the Minister of Labour is now attending I.L.O. meetings in Geneva. I am happy to give to this house the assurance that is demanded by the hon. member.

I did not think I was demanding it. I thought I was just asking for it, but I suppose that is one of our bilingual problems. At any rate there is a clearcut assurance by the Prime Minister that what I was requesting would be undertaken.

I hope the Minister of Labour will see to it that steps are taken to make sure the impression is not created that those on unemployment insurance are a bunch of frauds when, after all, the amount of the fraud is only 2 per cent of the total and when there are people—I don't know the percentage, it may be considerably higher than that—who are denied benefits to which they feel they are entitled.

The unemployment insurance fund is there to assist people who are unemployed because there is no employment for them. I hope the fund will be administered with an effort to make sure that it is not abused, but also with an effort to make sure that people get the benefits to which they are entitled.

Now, with respect to the whole question of unemployment, unemployment insurance and so on, I of course come back to the point that the hon. member for Oshawa-Whitby made in the opening part of his remarks this afternoon, that the chief concern of the department and of the Minister of Labour should not be picking up the pieces when people are unemployed, but should be the initiating of policies that will produce employment.

• (8:50 p.m.)

That is all our people want—not unemployment insurance, not being forced to work for minimum wages, but an opportunity to work at productive jobs that will provide levels of wages which will enable all of them to take some part in the just society. I have noticed that for the most part the references to the just society are now made from this side of the house. Liberals do not use the phrase very often; it embarrasses them. But the Minister of Labour did this this afternoon and he deserves credit for his courage in doing so. He made it clear that he believes workers and their families have a right to share in this just society.

Now, Mr. Chairman—I mean "brother Chairman"—I say again that I was delighted with the position the minister took this afternoon. If he thinks I am being friendly and congratulatory toward him now, fine; I am. But if he does not deliver he knows what will happen.

Mr. Mackasey: Mr. Chairman, the hon. member for Winnipeg North—

Mr. Knowles (Winnipeg North Centre): —Centre.

Mr. Mackasey: I always get confused about ridings. The hon. member has made me a little inarticulate for a moment. If he finds it strange to say anything complimentary about a Liberal cabinet member, I think my record in the house would show I find it equally difficult to find anything nice to say about the many socialist reactionaries in the New Democratic party at whom I have looked with so much affection for the past five years. I believe however, we do share one thing in common; that is, a deep concern for people, Canadians in all walks of life, entitled to a just society. We differ only with regard to the method by which we would achieve this just society. I often think that their philosophy is better suited to the nineteenth century and, although it is Utopian in concept, as an ideal it is not practical. I believe those of us on this side of the house will attain the just society and at the same time retain the better features of the private enterprise system which has been a character of Canada and Canadians.

I believe I do appreciate the concern expressed this evening by the hon. member from Winnipeg, who has a bill on the order paper for every situation. He suggested that I refer to the private members hour and private members bills for guidance. I will admit there are bills in his name in respect of perhaps every subject under the sun, but they are always progressive in the field of social welfare. They are designed to improve the plight of senior citizens and the position of the fixed incomes of civil servants with lower than standard salaries and lower than standard pensions, pensions which were set on an actuarial system which is long out of date. I have no quarrel with his concept.

I believe most people in this house know that if I am unable as Minister of Labour to implement some of these reforms—not necessarily along the lines the hon. member thinks are appropriate—and unless I am able to find support for this type of reform inside the Liberal cabinet, I would find it necessary to resign from the cabinet and demote myself to the back benches, where I would be free to express my opinions. However, I have confidence in the Liberal government. It has placed on the statute books of Canada every meaningful piece of pro-labour legislation that Canadians deserve and appreciate.

I have very little reservation about my ability to sell my concept to the cabinet, particularly when among the members of the cabinet are such very wonderful Canadians as my colleague who will be charged with the responsibility of eliminating regional disparity in a country as vast as Canada. I would commend to all members of the house the speech the hon. gentleman made in Montreal last night, which was published in great detail in *La Presse,* because I think it is very thought provoking and very tangible evidence of the fact that we do intend to attack poverty in this country on a meaningful basis.

The hon. member for Winnipeg North Centre would hardly expect me to comment on all the pieces of legislation he mentioned. He did mention the Industrial Disputes and Investigation Act. I have prepared no less than 80 some potential amendments to that act, but I am very conscious of the fact that the task force may come forward with better solutions.

The hon. member also mentioned Bill No. C-186. I would hope, when and if this type of legislation is brought forward, that he and other members of the house would approach it objectively and not as a matter of Quebec against Canada, the French against the English, or Jean Marchand against somebody else. This is not the type of attitude that makes the committee system in this house more desirable. I am not directing these remarks to the hon. gentleman, because he did not do this. I am referring to some of the people who did appear before that committee representing the labour movement in this country. They did mention to me, in secret however, that even if the bill was imperfect in their opinion and if freedom of association was not as important as national bargaining units, at least they agreed they might have attacked the bill for its weakness in structure and not resorted to an emotional attack on the government in order to defeat the bill.

Many people have been complimentary in their remarks this afternoon. This has a sobering effect on me and makes me more responsible just when I was preparing to rear back and remind the members of the New Democratic party of the failures in Saskatchewan and so on. I should like to comment on some of the issues which have been brought forward and say that I appreciated the remarks of the hon. gentleman opposite from Central Nova, who is the official labour critic of the Conservative party. In the years I have been in this house I have found that he is very strong in debate, and I have no illusions about whether or not he will make it difficult for me on the right or wrong occasion, as the case may be, depending where you sit.

I did appreciate his endorsation this afternoon of the philosophy contained in the Freedman report. I suspect this is the first time a Conservative member of parliament has ever endorsed the philosophy of the Freedman report. I think this is a sign of progress on their part. I should like to attribute that progress to the hon. gentleman, the very genial labour critic from Central Nova. When I take this concept to the cabinet and bring it back to the House of Commons in bill form, in view of the fact that the New Democratic party supports the idea and the official labour critic of the Conservative party is wedded to the philosophy in the Freedman report, the bill should have speedy passage.

The hon. member also mentioned the postal strike, although this more appropriately comes under Treasury Board rather than the Department of Labour. He made the point that much of the cause of labour strikes is not directly applicable to dollars and cents but rather to daily differences between management and labour, differences that grow out of all proportion, so that when the two parties

meet at the bargaining table there is real animosity, which is unnecessary and which prevents management and labour looking after the small details, which are small in their eyes but important in the eyes of the individual worker with a lunch pail. So I compliment the hon. member for bringing this to our attention. I cannot but agree that the problems which led to the postal strike were due to a type of working conditions the federal government should not be proud of and that it should have taken steps to eliminate that condition much sooner.

• (9:00 p.m.)

I was glad the right hon. Leader of the Opposition was here when the hon. member from Newfoundland—I believe he represents Gander-Twillingate—spoke, because in the very short period of time this young man has been in the house he has proved to be one of the more eloquent members. I appreciate the very fair way in which that hon. member mentioned in a passing manner some of the labour problems he had brought to the attention of the Minister of Labour. It would have been very easy for the hon. member to get up tonight and embarrass the minister or perhaps the government in respect of some of the problems he has discovered in relation to minimum wages and prevailing rates. He has brought these problems to my attention in private, and I have taken the trouble, as he knows, to send a special assistant to that beautiful province. This man is quite familiar with that province and he will be reporting back to me on the week end in respect of those specific cases brought to my attention. I hope if there is any evidence of intentional or unintentional injustices or abuses that we in the Department of Labour will, if necessary, be given the authority to step into other departments to see that the labour legislation of this country is respected not only by private enterprise but by government agencies as well.

[*Translation*]

I should like also to thank the hon. member for Kamouraska (Mr. Dionne) for his interesting remarks on the activities of my department.

I appreciate the comments which were inspired to him by his activities in the labour movement. His practical experience as a member and as a worker in our Canadian society give weight to his remarks. I can assure him that they will be considered and that his suggestions with regard to unemployment insurance for instance will be studied, even though consideration of the estimates of the commission has already been completed.

[*English*]

Mr. Chairman, the hon. member for Oshawa-Whitby, who represents one of the really great industrial centres of this country, also impressed me, and I learned much from his contribution, particularly when he spoke quite eloquently and factually about the problems of residual rights and how this is handled in other countries such as the United States, Sweden and England. This really is the basis of the philosophy of Freedman, as the hon. member and I both realize. The hon. member also mentioned the unemployment figures and asked whether I could bring him this evening a projection of unemployment for the winter in Canada. I am sorry to say that I cannot, because this particular responsibility falls under the jurisdiction of the department of manpower in conjunction with the Dominion Bureau of Statistics. I understand the implication of his request and his remarks. Any rate of unemployment is undesirable in a country which should be as prosperous as ours.

I think the departments of manpower, labour and what I have referred to, perhaps prematurely, as regional disparity, should work closer together to attack this problem of unemployment on a permanent basis. There has been reference to the winter works program, but we must realize that this program, desirable as it might have been ten years ago, has done little in a permanent way to re-educate and retrain people who are chronically out of work during the long winter months, which exist in many parts of this country. I think we must realize that the money we spend on retraining these people is a much better investment than simply handing them a shovel during a snowstorm, or asking them to turn over roads and ditches for sewers in the dead of winter under the pretext that this is a suitable winter program.

If we are going to fight poverty and unemployment we have to end this type of program, and spend the money in areas where, in the long run, it will be more meaningful and beneficial to Canadians. Many members have touched on the need for education. Experts from the economic council have told me that a recent study they have undertaken on the mobility of the Canadian work force indicates, that it is much more mobile than we anticipated or realized, and this includes workers from the province of Quebec. There

is a direct relationship between education and mobility, and the educated and trained worker is quite prepared to move from certain areas of the country to other areas where jobs are more plentiful.

If we are to reach the type of utopia which I think is within the grasp of countries such as ours we must tie in the whole problem of unemployment and poverty with the problems of education. Some time ago we realized that no one is too old to be retrained or educated. This is one of the areas of priority in the fight against poverty in this country.

Having said these things, and I feel rather deeply about them, I realize that while I may be speaking in a rather non-partisan manner, this is a problem that cannot be tackled by one, two, three or four ministers. This is a problem which must be tackled by all levels of government and all Canadians who have a social conscience. The sooner we reach this concept in Canada the sooner we will reach that standard of living which Sweden enjoys and which Japan is rapidly reaching, where co-operation and concern for each other is almost a religion. I think these ambitions and desires are not beyond the scope of this government or this House of Commons.

I was impressed as well by the sincerity of the hon. member for Hamilton-Wentworth who represents one of the more affluent sections of Hamilton. If he were politically partisan I am sure he would say nothing that was pro-labour. He talked about a wages and prices board. Perhaps I should correct that by referring to and talking about an income and price board. When we talk about wages we are again talking exclusively about the worker. When we refer to control we should think in terms of controlling "income", because that is the proper terminology. Income includes the income of doctors who increase their charge by 20 per cent or 25 per cent when called out in the dead of night for instance. It is "income" that properly describes the income of the lawyers, many of whom are in this house, that can stand scrutiny.

All of us who come here to the political table, and all those union members who have power and strength have a responsibility to our fellow Canadians. That is a responsibility not only of the government but also of management and labour.

I had some nice choice remarks to make about the right hon. Leader of the Opposition, but because of the pleasant atmosphere of the evening debate I do not intend to lecture that right hon. gentleman in the same tone in which he found it necessary to lecture the hon. member for Verdun. I am starting to develop a real affection for that hon. gentleman, and this frightens me. This is not part of my character. Since my dad came from Halifax, and since I found out that the hon. gentleman has ties in that city, I decided there must be some good in the right hon. gentleman who leads the opposition. Some days it is harder to realize this than on other days. In any event, when he suggested I was lecturing the house—

Mr. Stanfield: Mr. Chairman, I should like to request the minister to stop referring to me as "right hon.", because this might go to my head.

Mr. Mackasey: From force of habit, I occasionally get confused between the real Leader of the Opposition and the hon. gentleman. I keep falling into that trap.

Mr. Thompson (Red Deer): I knew it would come out.

Mr. MacEwan: We see your true colours as a result of that kind of remark, and I hope *Hansard* got it.

Mr. Mackasey: There was one contribution made this afternoon to which I have not referred as yet, and that is the contribution made by the hon. member for Prince Edward-Hastings. This "product of poverty" suggested that the Prime Minister of this country could not deal with poverty and could not be connected with a just society because of his wealth and background. I am wondering if this is not the case of the pot calling the kettle black.

• (9:10 p.m.)

Mr. Hees: On a question of privilege, Mr. Chairman, I was not referring to that at all. I said he had not come in contact with it, referring of course to his calling as a lawyer and a university professor. I said also he would not come in contact with it because of the fact that his constituency is very well-to-do and is probably one of the most affluent constituencies in this country.

Mr. Mackasey: I apologize, Mr. Chairman. The hon. gentleman has on the surface pointed out some very valid reasons why the Prime Minister of this country would not be familiar with the problems of the poor and the underprivileged, including the working class. This indicates to me, of course, that the hon. gentleman is not familiar with the history of the present Prime Minister. He is not

aware of the fight that this same Prime Minister had, as a lawyer, in company with Frank Scott who is a great Canadian, to break the padlock law of Duplessis ten or 15 years ago. He is not aware of the fight this same Prime Minister waged side by side with his colleague who is presently charged with the cultural affairs of this nation. This is obviously one of the problems of the hon. member. In this Prime Minister we have a Canadian who is concerned about a just society, the poor, the rights of Canadians and justice. This is the man who is the present Prime Minister of this country.

Anybody who is responsible and is familiar with the writings of the present Prime Minister in *Cité Libre*, when he championed the causes of the poor and the underprivileged—

Mr. Knowles (Winnipeg North Centre): That was before he became a Liberal.

Mr. Hees: That was when he was an N.D.P.'er, and a card-carrying one at that.

Mr. Mackasey: I am not too interested in the political philosophy the Prime Minister had before. I am just reminding the hon. gentleman that the record of the Prime Minister in this particular area of concern for fellow Canadians who have not had the opportunities of his education, who have not shared in the affluence of his background, who have not come from the same milieu in French Canada, should be inspiring; and I refer to all members of the opposition as well as all members of the Liberal party.

Mr. Hees: On a question of privilege, Mr. Chairman, I was not trying to be unfair to the Prime Minister; I was trying to be very fair and to make an excuse for his complete lack of concern in this regard. I was trying to ascertain whether the Prime Minister intended to do anything to alleviate the situation in which those living in poverty find themselves.

Mr. Mackasey: Mr. Chairman, there is not much use trying to convert the hon. gentleman. However, I would point out a few things to him. He mentioned that on September 13 he asked the Prime Minister whether he would raise the minimum wage, and said that the Prime Minister said no. I wonder whether he would like to look at page 16 of *Hansard* for September 13 and tell me whether that is the interpretation he still gets out of it. The hon. member for Prince Edward-Hastings said:

> Mr. Speaker, I would like to address a question to the right hon. Prime Minister.

He made a very valid case for increasing the minimum wage. The Prime Minister said in reply:

> I will have to ask the Minister of Labour whether he has that under consideration.

Then as Minister of Labour I said, with due modesty:

> Mr. Speaker, the Minister of Labour is always conscious of the needs of the working man in this country, and will give consideration to the suggestion of the hon. member.
>
> Mr. Hees: Does the Prime Minister in the very near future intend to call a conference with the provincial premiers to discuss this very vital problem?

That is when the Prime Minister said no. It was not that he was not interested in raising minimum wages, but he did not think he had to call a dominion-provincial conference to raise the minimum wages of federal government employees.

Mr. Hees: Mr. Chairman, on a question of privilege, in my question I asked whether he would not raise minimum wages in respect of employees who came under federal jurisdiction, as an example to the premiers, and call them together to discuss this matter. I asked whether with this example before them the Prime Minister could not urge the premiers to raise minimum wages of employees under provincial jurisdiction. That is the question I asked the Prime Minister.

Mr. Mackasey: Mr. Chairman, the hon. member suggested that we raise the minimum wage as an example to the provinces.

Mr. Hees: That is right.

Mr. Mackasey: He pointed out, quite accurately, that the last time we raised minimum wages on the federal scene was three years ago. The great province of Ontario, with all its affluence and industrialization, took precisely three years to bring its rates up to ours.

Mr. Hees: The rates in the province of Ontario are now higher than those paid under federal jurisdiction.

Mr. Mackasey: They will be exactly one nickel higher—

Mr. Hees: That is higher.

Mr. Mackasey: —when the rate is strictly applied.

Mr. Hees: Then the minister should not say they are lower, when he knows they are higher. I ask him to stick to the facts and be honest.

The Acting Chairman (Mr. Richard): Order. I think that in order to carry on this debate in the proper manner the Minister of Labour should continue his speech, and any interruptions in the future should be by way of questions of privilege and not by way of corrections of what the minister has said.

Mr. Hees: Mr. Chairman, I shall be very glad—

The Acting Chairman (Mr. Richard): Order, please. Is the hon. member rising on a question of privilege?

Mr. Hees: Yes, Mr. Chairman. I will be very glad to sit quietly if I am not accused of saying things that I did not say and if meanings which I did not mean are not put on what I said.

The Acting Chairman (Mr. Richard): Order. Every hon. member of this house knows that when he feels he has been misrepresented he can rise on a question of privilege. Any hon. member can in committee, after the minister has spoken, rise and speak.

Mr. Mackasey: Mr. Chairman, for the sake of the harmony which has been present throughout the day and this evening—

Mr. Hees: Why don't you tell us what you are going to do to eradicate poverty?

Mr. Mackasey: The hon. gentleman, as usual, rises to dish it out, but when you hand it back he loses his cool.

Some hon. Members: Hear, hear.

Mr. Hees: I have not lost my cool at all. I just get a little annoyed at direct misrepresentations—and that is a polite way of saying it.

The Acting Chairman (Mr. Richard): Order. I would request the Minister of Labour to proceed with his remarks. I do not want to intervene in this debate and make my own remarks, but I think some of the minister's remarks are inviting this kind of comment.

Mr. Hees: Right. Thank you, Mr. Chairman.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, before the minister leaves the question of minimum wages will he indicate whether the government will support the increase in the minimum wage at this session of parliament?

Mr. Mackasey: Mr. Chairman, I made it quite clear in my answer in September that the increase in the minimum wage is now under consideration.

Mr. Hees: Nonsense. That is a stock answer, and you know it means nothing.

Mr. Mackasey: Mr. Chairman, the hon. member should know all about stock answers because they were usually prepared for him when he was a minister.

Mr. Hees: I have been listening to them every day for five years, and I should know.

Mr. Mackasey: In fact, his speeches were prepared by the ghost writer, who is almost unique in Canadian history. Hon. members will understand this if they have read Pat Nicholson's latest book. But on a serious vein, Mr. Chairman, the problem of unemployment is certainly something one should be very concerned about. It is around the 5 per cent mark. It is, in the opinion of the minister and hon. members opposite, a very serious threat and challenge to Canadians.

The fact is of course that I have confidence in this country, because a study of the records and history of Canada shows that this is not the first time we have had unemployment at this rate, and we have managed to solve it. For instance, back in 1958 it was 7 per cent; in 1959 it was 6 per cent; in 1960, when the hon. gentleman was working hard—and I say this seriously—in our export field, it was 7 per cent. When we took over government it was 7.1 per cent. We have managed to bring this 7.1 per cent down to 3.6 per cent. This was done in 1966.

Mr. Broadbent: Mr. Chairman, would the minister entertain a question? I wonder whether he is trying to establish the fact that unemployment has been equally high under Conservative and Liberal governments.

Mr. Mackasey: I think that would be a fair appraisal, Mr. Chairman, except I can also show that, unlike the Conservatives, we know how to cope with it, because we have reduced it.

Mr. MacEwan: Winter is not over yet.

Mr. Mackasey: This is the cry of the new rich.

An hon. Member: Sock it to him.

• (9:20 p.m.)

Mr. Mackasey: According to the latest figures on the labour force, unemployment has increased by 34,000. However on the

other hand there is some consolation in the fact that we are able to employ 270,000 more people who are coming into the labour force.

Mr. Lundrigan: May I ask the minister a question? A few minutes ago an hon. member asked for some statistics on unemployment and I think the minister indicated he could not give them because this was not under his jurisdiction and he did not have the figures. Perhaps in his commentary he could indicate what particular statistics were being sought at the time.

Mr. Mackasey: I would be glad to remind the hon. gentleman of precisely what I said. Perhaps he did not hear the question, which was put quite properly. I was asked whether I could give a prediction concerning the rate of unemployment this coming winter in the major cities of Canada. I said I could not because this was not the role of the Department of Labour, and the question would have to be asked when we come to the estimates of the Department of Manpower and Immigration.

Mr. Lundrigan: Mr. Chairman, the question was—

Mr. Mackasey: Mr. Chairman, I should like to finish what I was saying. The hon. member is in bad company.

Mr. Hees: If you can't stand the heat, you had better get out of the kitchen.

Mr. Mackasey: I was going to say that the figures I am reading are factual. I got them out of the parliamentary library, and I am sure the hon. gentleman could easily do the same. As to the figures concerning unemployment in the coming winter, I cannot produce them, and this is an honest answer.

I appreciate the quiet, the attention and respect with which my remarks have been treated by the opposition. Obviously people can see that my big problem is to act with the dignity which a minister is supposed to act in a debate, and at the same time I find myself periodically reverting to the role I had before I was elevated to the cabinet. This is a house of debate and I should hope that in the repartee and exchange I have hurt nobody's feelings—certainly mine were not hurt. I just happen to think that in the last election the people of Canada indicated more confidence in this great young man, the Prime Minister, who is going to lead this country toward a just society than in hon. gentlemen opposite. I think his record is excellent. I am sure his concern for the people of Canada, for the working class and for the underprivileged, his direct connection in the past with unions, their causes and their plight, and his willingness to fight for them in court as well as with the strength of his pen, indicates that we have a Prime Minister who is really concerned about and sincerely interested in establishing a just society. I believe that with the complete co-operation of the opposition, that just society will be arrived at much sooner than most people think.

Some hon. Members: Hear, hear.

Mr. Hees: Mr. Chairman, thank you for all the applause.

The Chairman: Order, please. The chair-intends to recognize the hon. member for Témiscamingue, unless the hon. member for Prince Edward-Hastings has a brief question.

Mr. Hees: Yes, Mr. Chairman. The reason I want to ask a question is that when I was speaking the Minister of Labour assured me, as I understood it, that he would be ready to advise the house as to what steps the government is taking to eliminate poverty from this country, so far as it can.

Mr. Mackasey: Mr. Chairman, I think we should hear from someone else who has something constructive to add.

Mr. Hees: Than I take it that the minister has nothing to say—

The Chairman: Order, please.

Mr. Hees: —and nothing to explain as to what this government is doing.

The Chairman: Order, please.

Mr. Hees: He has nothing to offer.

Mr. Lundrigan: I have a brief question, Mr. Chairman.

The Chairman: The Chair has recognized the hon. member for Témiscamingue.

[*Translation*]

Mr. Caouette: Mr. Chairman, after hearing the hon. members who took part in the debate on the estimates of the Department of Labour, everyone will agree that the regional disparities mentioned in most speeches are strangely alike throughout Canada.

If you listen to an hon. member from the Maritimes, you will hear about economic difficulties with regard to coal mines, the

development of natural resources, etc. The same situation prevails in northern Quebec.

I heard a little earlier the hon. member for Lac-Saint-Jean (Mr. Lessard) talk about Desbiens where something could be done. The problem was submitted to the Minister of Energy, Mines and Resources (Mr. Greene), to the Minister of Labour (Mr. Mackasey) and to the cabinet, but it has not been solved yet. Incidentally, I think that the hon. member for Lac-Saint-Jean, who was previously sitting on this side of the house as a Créditiste member, realizes that occupying a seat on the government side does not improve the standard of living of his electors, nor that of Quebecers or Canadians as a whole.

Therefore, he should have remained with us to pursue a more efficient fight.

Mr. Chairman, the situation is the same in other areas. In my own area, people complain that mines have to close down. In the Quebec area, they complain about the shipyards of Lauzon; in the eastern townships, they complain about problems facing the shoe industry and the precarious situation of the textile industry. There are economic difficulties everywhere.

Regional disparities resemble each other very much from an economic point of view.

I limited myself to Quebec, but the situation is the same in Ontario. We also hear the members from the west complain about a lack of industries, and especially those from Manitoba who complain that the overhaul base of Air Canada will be transferred to Montreal. Mr. Chairman, that stirs up a storm in the house. The members from Manitoba complain because hundreds of employees will have to move to another province if they want to continue working.

We have the same thing in the western provinces. In British Columbia people complain about that situation. In the fishing industry, for instance, in business, in the lumber industry, one runs into economic difficulties called regional disparities.

Mr. Chairman, all those regional disparities are related to a single problem: the Canadian economic problem. That is why, following the June 25 election, the future Minister of Regional Development stated categorically on television that, at all cost, the government would have to make a comprehensive study of what economic reforms should be made in Canada. This is the case not only in our region, but all over Canada.

It should be borne in mind, Mr. Speaker, that the minister was speaking about winter works being replaced by retraining courses with a view to giving more education to our people, our unemployed and our younger people, which will enable them to acquire knowledge that will eventually assist them in finding employment. But the fact remains that, after studies lasting up to three years, depending on the retraining courses, they are not in a better position to find jobs.

The unemployed who are over 50 are not eligible to go to those schools as they are considered too old. What measures can be taken to assist these people?

• (9:30 p.m.)

At this very moment, Mr. Chairman, there are over 80,000 unemployed in Montreal alone which is equivalent to practically one quarter of the unemployed in Canada. To these people will be suggested that they register for retraining during the winter. In fact, the present system consists in having the uneducated unemployed become educated unemployed. When people have finished their 10th, 11th and even 12th grade, they are told: "We do not have any work".

In the meantime, the Minister of Labour is at grips with management on the one hand and workers on the other hand. In addition to that situation which affects the labour world everywhere in Canada, and more particularly in Quebec, the minister has to face arguments of all kinds, right and left. We hear about strikes, the postmen's strike, the longshoremen's strike, the teachers' strike, the students' strike. Why do these strikes exist?

When somebody finally proves to me that in Canada a strike has solved a labour problem, then I will believe in the efficiency of the strike. But all the strikes which I have witnessed in Canada were settled by some agreement, which formed the basis of the next strike on expiry of the collective agreement. It has always been the same thing.

I see the Minister of Forestry and Rural Development who was, I think president of the C.N.T.U. nineteen years ago, during that famous strike called the Asbestos "grève de la matraque". Twenty years later, are the workers treated any better? Let us go to Asbestos and see, let us talk to the workers in Asbestos. Blood was running in the streets. Did it change the system? This is why I find it indecent for some workers to rouse other workers against management, when these leaders should act as peace-makers between labour and management. They should be goodwill ambassadors, not distributors of boxing gloves or fomenters of hate. The workers

need the employers just as the employers need the workers.

I heard earlier the hon. member for Winnipeg North Centre (Mr. Knowles) suggest his famous solution. He always asks for the same thing: a minimum wage of $1.75 an hour and seven days of leave with pay. He would prefer eight or nine days of leave with pay; he would not object to one day a month which would mean 12 days of paid holidays and shorter working week. They feel sure that this is the answer. There are people working in small restaurants, for instance, who earn $30 or $35 a week. Try to pay them $1.75 an hour, and the boss or the little restaurant owner will end up bankrupt. We know that some industries cannot pay that kind of wage, because as soon as the wages would go up, it would trigger an increase in the cost of living. In fact, salaries go into the cost price of goods and services. This is what people do not understand. The hon. member for Winnipeg North Centre is completely at sea. If we increase salaries, up go the prices; but reduce the working hours and then increase productivity, nobody can make head or tails of that.

A Chinese might understand the hon. member for Winnipeg North Centre, but no Canadian would.

On the other hand, Mr. Chairman, when I was listening to the hon. member's speech I was reminded of the late Clement Attlee and of his speeches of 20 years ago, as well as of the speeches of the Right Honourable Harold Wilson, Prime Minister of England, when both gentlemen sat on the opposition benches. But, when they came into power, they did exactly the opposite of what they had been preaching.

To realize that, let us take the hon. member for Winnipeg North Centre to England tomorrow morning, to show him at close range the magnificent achievements of State socialism, in England, in every field. Financially, Mr. Chairman, England has gone to the dogs. Why? Because of a mad system similar to our own. The Liberals agree with me. They know that our system is wacky. The Minister of Manpower and Immigration and the Minister of Labour know it.

An hon. Member: A gang of madmen.

Mr. Caouette: Yes, and some people go a little further, they say we are ruled by the most outstanding of those madmen. What are we to do?

Mr. Chairman, the day after the election I was listening to the comments of two union leaders, Mr. Marcel Pépin, president of the C.N.T.U. and Mr. Louis Laberge, president of the F.T.Q. They stated that all those who had voted against the New Democratic Party were idiots. What did Mr. Louis Laberge ask before the elections? He asked the workers of Quebec to vote for the New Democratic Party but they did not listen to him, because they did not take him seriously. We saw Mr. Marcel Pépin, on television on election night; we often see him there. He looks like a regular guardian angel; he is a mealy-mouthed type, and is as quiet as they come. He reminds me of a monkey that would have escaped from the Granby zoo, or something like that. And what is his program? Stir up the workers against the employers, nothing else. A distributor of boxing gloves.

Mr. Chairman, in every socialist country throughout the world, when the government fell into the hands of union leaders trouble began. I know that from experience. I have been in Russia, in Czechoslovakia and in other socialist countries. Go to England and you will see the same thing. Those at the helm are former union leaders who used to say that power should belong to the workers. Theoretically it does belong to them now, but all they get is a kick in the pants, because they are not the real rulers.

Recently, in Czechoslovakia, students had led the country on the road to socialism. Now, the people are trying to get rid of it but they cannot since the U.S.S.R. who is practically next door, keeps them under her thumb and they can neither budge, move forward, nor shake themselves free. Such are, Mr. Chairman, the advantages of socialism.

On the day when people like Messrs. Marcel Pépin and Louis Laberge have any political power, we will witness here the same things that are happening now in England.

There is no need to go that far. In our own country, Canada, did not the New Democratic party, successor to the C.C.F. party, hold office in Saskatchewan during 17 years? With what results? It is the only province from which the people migrated to the other provinces. They went to work in Alberta and British Columbia to pay Saskatchewan's socialist taxes. In fact, there was no work to be had in that province.

And that is not the worst, Mr. Chairman. The provinces of Manitoba and Alberta spent millions of dollars to prevent rats from Saskatchewan from eating up their crops. These

are not tales, but facts. I do not lie; it is the gospel truth.

This being so, would we let men like Mr. Pépin and Mr. Laberge guide us and direct us towards that type of system?

Mr. Chairman, I am not against unions, far from it. I am entirely in favour of trade unions but only those where workers control their own business and are not told what to do, as if they were children. That is exactly what is happening now.

When Mr. Laberge asked Quebeckers to vote for the New Democratic party, did they comply? Let us not be funny! They would rather vote for my hon. friend, the Minister of Forestry and Rural Development.

• (9:40 p.m.)

In the city of Montreal, that party spared no effort. They were quite sure they would take about ten ridings. But they did not win a single one. So much the better! However, they have the comfort of knowing that the right hon. Prime Minister (Mr. Trudeau) once belonged to their group. The hon. Minister of Forestry and Rural Development at one time was flirting with them. The hon. Secretary of State (Mr. Pelletier) had connections with them for many years. Therefore, the members of the New Democratic party feel a little bit at ease with the present government or, at least, with the leaders of the present government.

All this, Mr. Chairman, to say that we must make some improvement. I am all for respecting labour unions. But let us first of all respect the workers. That workers should unite to study together those problems they have in common, I agree with that. I am also in favour of discussions between management and labour. But whenever a labour leader raises an almost unsurmountable barrier between the workers and the management, he is then abusing his authority. He is not upholding and serving the best interests of the Canadian workers, because employers as well as workers are human beings.

It is possible for these people to discuss. I am myself an employer. There was a strike in my establishment. What did it settle? Nothing, like I said at the beginning of my remarks.

I have yet to see a strike that will settle labour problems. In Quebec, some strikes have been going on for a long time. What will they achieve? Employees of the Quebec Liquor Control Board have been on strike for five months. What does it amount to? For the first few weeks, it is great. You are ready for anything. At the end of five months, Mr. Chairman, if the employee does not realize the situation, go and see his wife and children; they realize it. And yet when these workers go back to work, they will find no great improvement in their working conditions. However, they will have gone into debt for perhaps five or ten years and will have to go to finance companies and ask for credit at the corner store and everywhere in order to manage and make ends meet; but they will not be able to.

Mr. Chairman, problems are not solved by strikes. When my colleague the hon. member for Kamouraska (Mr. Dionne) spoke of labour matters this afternoon, he knew what he was talking about, because he is a former union president. He did not organize strikes, but he was the leader of a group of hard workers and, at the same time, he met with management in order to act as liaison between the two groups and bring about an understanding. I think in this respect he could give a few very useful lessons to union leaders today. Even my hon. friend the Minister of Forestry and Rural Development should have known the hon. member for Kamouraska twenty years ago; he would never have had anything to do with the Asbestos strike.

Mr. Chairman, I do not say that all present union leaders are wrong. However, most of them, the ones we constantly see on television, are always against everything. I sometimes wonder what prevents them, since we live in a free country, from setting up industries, a steel mill, for example, from becoming employers and treating their employees according to the views they now express or as they say workers should be treated. What is preventing them from setting up companies and becoming employers? But that is not what they are looking for.

Instead of trying to create something, they try to demolish, to destroy what others have built. They tell the employers what to do; they always talk on behalf of 125,000, 132,000 or 134,000 members and they are sure of them because on television at least they have real power. Then there are politicians who are afraid. Mr. Chairman, you would not believe it. They are afraid to lose votes, they are afraid to lose elections. That is why today there are so many abuses in the field of labour and management relations; it is because politicians do not have the courage to assume their responsibilities. The politicians were afraid when they should have

stood firm, when they should have stated the facts, when they should have been frank with the population, the workers, the lumbermen, the people as a whole. If they had done all that, there would be fewer strikes today.

In the field of labour in Quebec, people blame the students because they stage sit ins, they argue, they occupy buildings. It must be noted, Mr. Chairman—I call the Prime Minister's attention to that—that their own professors showed them the way two or three years ago when they attacked the school board, held demonstrations against the provincial government or against the administration of this college or that university. You set a bad example and then you blame the students for following it.

The parents who deplore such things are in the same situation. The Liquor Control Board employees are on strike, and there was a strike of postal employees! During the latter strike, there were threats against the Prime Minister, the government, and then the Canadian public to deprive them of the postal service as long as they felt like it. The strike has been settled, but who pays for it? The workers who went on strike gained something. But today, it is the public in general that is paying for the increased postage stamp prices, for the transportation cost of the mail. It is paying a rather a heavy price for the postal employees as well as the famous strike of the Montreal dockers.

• (9:50 p.m.)

This does not mean, Mr. Chairman, that longshoremen, postal employees and so on do not deserve a better income—I do not say an increased salary but an increased income. As long as we continue to increase income merely through salary increases which are part of the cost of goods, we shall always face the same problems. We shall be running in a circle, struggling in a strait jacket. And what are the Créditistes suggesting? They suggest to increase the income, but in such a way that the increase will not be a part of the cost of goods. And how can we achieve this?

Let us not study my statistics but those of the federal government which indicate that this year the national production of the Canadian labour force amounted to $67 billion. The total income of the members, the salary of my friend, the Minister of Forestry and Rural Development, my salary, the profits of all the business people in Canada, and all the other incomes put together, will amount to $48 billion. The government then warns us by saying: Productivity will increase by about 5 or 6 per cent per year and therefore the salaries must not be increased by more than 5 or 6 per cent.

Let us say, for example, that our production will amount to $70 billion next year. With a yearly increase of 6 per cent, that would mean a production of $74,200 million. It is an increase of $4,200 million of new production, and there is no need of increasing our income by more than 6 per cent a year. Let us say, for example, that our revenues amount to $50 billion; with a 6 per cent increase, that means $3 billion. How can we, Mr. Chairman, purchase $4,200 million of new production with $3 billion of new income? That is the problem. So we say that the difference between the two can be used to increase the income of all Canadian citizens, without that coming into the prices. We are right, and the minister knows it.

According to the facts, there is now a difference of $20 billion with regard to the economic operations of 1967-68 alone. For $20 billion of production, there is no corresponding purchasing power, and $48 billion is purchased with the national revenue. This $20 billion production is not sold because we do not have the revenue to purchase it. What does that mean? Mr. Chairman, the Bank of Canada could create, in figures, about $1,000 per capita if the government of Canada gave the order to do so and to distribute the money to every Canadian citizen, without creating inflation, without this being included in the costs of goods, without increasing the cost of services. Then, we would achieve an economic balance which would give citizens a purchasing power enabling them to purchase products which exist.

We do not know what to do with our products, and the unemployed in Montreal need them. Why can they not buy them? For lack of purchasing power. The minister knows that. The number of our unemployed will increase because of automation. What is the government's solution in the face of automation? No solution. So, unemployment takes over. But what do we advocate?

In so far as machines, automation, science, progress and knowledge are being used to speed up production and to replace man at work, let us establish a system thanks to which Canadian men, women and children will have an income that will allow them to buy the products of automation, and of machines. This is not inflation. This is balance, common sense and logic.

The 86,000 unemployed of Montreal who earned maybe $100, $125, $130 a week, while to-day they get only $30, $33 or $36 as unemployment benefits, are out of work. Why? Because there is a superabundance of products and the factories no longer need their workers. When there is overproduction, factories close down. If it is true that the unemployed is laid off because of overproduction, why is he not given precisely the salary he used to earn when he was at work? Indeed, let us pay him his salary until he finds a job. Products are there, and he only needs purchasing power.

The government does not consider that possibility. It thinks in terms of retraining of manpower and we are back again in the same system, going round and round, without ever finding a way out. It has been suggested that there is one, because the minister was speaking a while ago of the just society. It is all very well to speak of a just society! But in the meanwhile, there are 28,000 families in Montreal on welfare and 86,000 people who draw unemployment insurance. What does it represent? It represents a population of 150,000 to 200,000 persons. Now, if 300,000 or 400,000 persons out of a population of 2 million in the City of Montreal do not have a sufficient purchasing power to buy the necessary products for their subsistence, Mr. Chairman, where are we going with the government of the just society?

That is why we have all these clashes, and they are going to become much more frequent. In fact, we are building a tower of Babel. The only difference with the real Tower of Babel, is that when the people at that time realized that there was confusion, that they could not communicate with or understand one another, they gave up; but we are too stupid, and we go on with the work. It is the only difference.

Mr. Chairman, the problem can be solved. The root of the evil is not in the minister's heart, nor in the heart of the government; Finance is the villain. Let us first put Finance at the service of Canadians. It is up to the government to take it upon itself.

[*English*]

Mr. Sulatycky: May I thank you, Mr. Chairman, and the members of the committee for allowing me one minute in which to make my maiden speech in this house. We have heard speeches from members of the opposition dealing with unemployment, the elimination of poverty and regional development, but in some manner they seem to place responsibility for these immense problems on the Minister of Labour. I must say, Mr. Chairman, that I do not appreciate the relationship that these problems have to the minister's department. However, I wish to advise the committee of some important problems that do have direct relationship to the minister, and which may properly be recognized as such by some of the members who have done much of the complaining here today.

Hon. members, as I say, have talked about unemployment, regional disparity and the elimination of poverty. In my constituency, Mr. Chairman, there is a great deal of industrial development. Several areas are exporting coal to Japanese markets, markets that we hope to exploit in the near future. However it disturbs me to see that in these areas there is an insufficient supply of labour.

At the same time, Mr. Chairman, I listen to members in this house saying that in other parts of the country people are unemployed. Last week the manager of one of the coal mines in my constituency visited me in Ottawa and told me that he could ship twice as much coal to Japan as he is now shipping if only he had enough labour to bring up the coal from under the ground. This man, Mr. Chairman, is prepared to provide the cost of moving workers from where they presently reside to his area in western Alberta. He is prepared to retrain them to equip them with the skills necessary to engage in the occupation of mining this coal. He is also prepared to provide assistance in the matter of obtaining housing for these workers. Yet as I say, Mr. Chairman, hon. members from other parts of Canada tell us that there is insufficient work in their constituencies.

• (10:00 p.m.)

The Chairman: I am sorry to interrupt the hon. member, particularly on the occasion of his maiden speech, but it is ten o'clock and it is my duty to rise, report progress and request leave to sit again at the next sitting of the house.

Mr. Hees: Mr. Chairman, I suggest that we pass this item. I do not think anybody else wants to speak. The Conservative party is agreeable to this course.

The Chairman: If we have unanimous consent we can agree to the first item and any subsequent items.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I think there are others who would hope these estimates might be back some time.

Progress reported.

[*Translation*]

PROCEEDINGS ON ADJOURNMENT MOTION

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

CANADIAN BROADCASTING CORPORATION—QUEBEC—COVERAGE GIVEN TO POLITICAL PARTIES

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I shall have to be quick about it because I have only seven minutes to deal with a fairly important matter. On November 7, I put a question to the hon. Secretary of State (Mr. Pelletier), asking him to explain to us why the C.B.C. had allotted only an hour and 37 minutes to the Ralliement créditiste at the time of its last convention at Sherbrooke, while allotting that same weekend, eight hours and 46 minutes to the Parti québécois.

Later, several similar questions were put to the minister in this house.

It should be noted that the minister attempted twice to shirk his responsibility and to tell the house who is responsible for the C.B.C.

The same thing happened when, on November 7, the member for Lotbinière (Mr. Fortin), put a question to him asking when he intended to set a policy with regard to the allotment of the time on C.B.C. The hon. Secretary of State then told us, in this house, that the C.B.C. was not answerable to the Secretary of State but instead to Parliament. The following day, on November 8, the hon. member for Lotbinière, further to his first question, asked the right hon. Prime Minister (Mr. Trudeau) who is responsible for the C.B.C., whether it is Parliament or the Secretary of State?

The Prime Minister replied, as seen on page 2572:

Mr. Speaker, this is a question for the Secretary of State.

Now, it is obvious that the C.B.C. seems to be answerable neither to Parliament nor to the Secretary of State. It seems to act as it sees fit. Indeed, on many occasions—I have proof of this—it has been prodigal with the Liberal party. Besides I have figures here on the allotment of time slots to prove my statement.

The C.B.C. has no definite policy with regard to the allotment of time slots to the various political parties. That is why we will again return to the charge, as long as the hon. Minister, who to my mind is responsible for the C.B.C. has not defined a policy in this regard.

Besides, the matter has already been cleared up by the committee, in the 1966 report concerning the White Paper on broadcasting, where the objectives of radio and television are defined. One of those objectives is to the effect that we wish to express our conviction, and another to the effect that priority of the public sector must be observed; that is one of the supreme and permanent objectives of the new act. We should develop, and not diminish, the effectiveness of the corporation, the main instrument by which our national conscience can be extended and maintained and national unity thereby strengthened.

But in the report on broadcasting, the C.B.C. is asked to promote national unity or, at least, to respect it. That is where the corporation has sinned, has erred, has taken a wrong direction, in that it allowed an hour and thirty seven minutes for the broadcasting of the program of the Ralliement Créditiste, and eight hours and forty six minutes for the broadcasting of a program opposed to national unity.

The Canadian Broadcasting Corporation has not complied with the parliamentary committee report to this end. And the crown corporation has not been brought back to order by the responsible minister.

In the same report, it is pointed out on several occasions, that parliament has never given any guidelines to the C.B.C. with respect to the policy it should follow. But, on the other hand, when I consider the generosity with which the C.B.C. has treated the Liberal party during its convention here in Ottawa, I am amazed. I have in hand a document published by the CTV network—"The English-speaking network of the C.B.C."—about the Liberal convention held on April 4 and 5. Reference is made to the candidates to the leadership who had their publicity paid for out of public funds or moneys. The publication of that document seemed to have been costly; the president, Mr. Charles Templeton, has even his picture on page 3, where he states:

[*English*]

The Liberal leadership convention should be Canada's most exciting and dramatic event of the year.

[*Translation*]

Now, Mr. Speaker, I believe that the crown corporation has exceeded its right, privileges

and duty by publishing at its own expense, with our moneys, the propaganda of a political party.

Along the same line of thought, I have in hand a C.B.C. publication which mentions the number of hours devoted to the convention of the Liberal party from March 31 to April 6 last. The C.B.C., according to its own statistics, has awarded to the Liberal party about eighty hours on the French and English networks.

Now, we are complaining about this state of affairs because we think that such a number of hours awarded to the Liberal party during its last convention—

Mr. Deputy Speaker: Order.

Mr. Rondeau: Mr. Speaker, I would ask you to allow me two more minutes—

Mr. Deputy Speaker: Order.

[*English*]

I am afraid the hon. member's time has expired.

• (10:10 p.m.)

Mr. Jim McNulty (Parliamentary Secretary to Minister of Labour): I have been informed that the management of the C.B.C. regards the subject matter of the hon. members question as being of a most serious nature deserving of considerable comment and discussion. It is therefore the intention of the C.B.C. management to discuss fully with hon. members the complex question of programming at the forthcoming appearance before the committee on broadcasting, films and assistance to the arts. The C.B.C. realizes the importance attached to this matter and it is their belief that a committee hearing is the most appropriate place for a full and fair airing of this most important matter.

PENSIONS—CONSIDERATION OF UNIVERSAL PRINCIPLE OF ESCALATION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I am sorry that the Minister of National Health and Welfare (Mr. Munro) cannot be here this evening, but I am sure that whichever parliamentary secretary responds to my question will convey my message to him.

On Tuesday, November 19, as recorded in *Hansard* at page 2912, I asked the Minister of National Health and Welfare whether he had yet set up in his department a committee or task force to study the whole question of a general application of the principle of escalating pensions that have been put into effect. The minister's reply was in these words:

> Mr. Speaker, as indicated, I believe, earlier this session by the Prime Minister, the whole question of our various welfare programs is under review.

I went on to ask whether the specific question of escalating pensions was included in that review and the minister's reply was:

> Yes, Mr. Speaker, all matters pertaining to our welfare programs are part of the review.

I suppose I should be content with that generally affirmative reply, namely that this matter in which I am deeply interested is being reviewed, but I confess to something less than complete satisfaction with that answer. As I understand it, the review the government is giving to all federal welfare programs is of the kind that considers what programs can be passed on to the provinces and what programs can be dispensed with at this time. I have seen nothing in the references to the review of welfare programs that implies any willingness to extend benefits or provisions. In fact, the classical statement of the Prime Minister (Mr. Trudeau) was that we have had enough of this free stuff.

Therefore, Mr. Speaker, I am not satisfied that this very serious matter should be considered as covered because there is a general review of welfare programs. The specific problem I am concerned about, and hon. members must be aware of this, is that with the speed of rising prices and costs, with the growth of affluence that is taking place, there is the danger that people on pensions will become third or fourth class citizens or that they will become people who have no chance to protect themselves against inflation or against the failure of their fixed incomes to enable them to meet the cost of living or to keep up with the rising standard of living.

I hope I have made that case clear with regard to retired civil servants, and I have tried to make it clear with regard to retired C.N.R. employees and various other workers, but it applies to everyone. It applies to people on old age security pensions and people on industrial pensions. These things are relatively recent in our way of life, considering the long haul, and I suggest that unless we look to the future and build into our program adequate provisions for escalation, our pension programs could fall apart.

Another thing that concerns me, bearing in mind that good is frequently the enemy of best, is that a pattern is being established. In a sense it is a good pattern, or I should say

that in a sense it is a good principle. I refer to the 2 per cent increase in old age security pensions that is possible, and the same increase that is possible under the Canada Pension Plan. Two or three days ago the Minister of Forestry and Rural Development (Mr. Marchand) tabled the Devco report and, lo and behold, we find in there a certain pension arrangement being made for the miners of Cape Breton with a special provision being made for escalating the pensions by not more than 2 per cent per year.

I am in the position of having to welcome, and welcome wholeheartedly, this extension of the principle that pensions already in pay have to be escalated; but I am afraid that if this pattern of 2 per cent escalation, and a fixed 2 per cent, gets much wider, a good principle will be destroyed because of that kind of limitation. We can reach the situation where people's pensions will generally be increased by 2 per cent per year and they will be told that therefore they cannot expect anything more. But 2 per cent does not begin to keep up with the rising cost of living and it does not enable the sector of our society which is retired to keep up with the rising standard of living.

Therefore I am pleading for a study of the whole, broad question. I will fight it on its individual fronts, retired civil servants on pension, old age security pensioners and all the rest, but I plead that somewhere in the government—and I suggest that it be in the Department of National Health and Welfare, or perhaps the Department of Finance if the parliamentary secretary to the Minister of Finance is going to reply—there should be established a special task force or committee to work on this problem. I suggest that it is not good enough just to have it lost somewhere in the general study of welfare programs.

The standard letter being sent out from the Prime Minister's office to people who write in regarding retired civil service pensions, and I have seen it several times, reads in this way:

> The position of persons on pensions and other fixed incomes who have seen their real income diminish with the general increase in costs and prices is a matter of great concern to the government. The government, of course, cannot limit its consideration of this question to the situation of retired public servants, but must be concerned with the broader question of the problems of all pensioners and others living on limited fixed incomes.

I am not satisfied with this letter as an answer to these people, but I underline and endorse wholeheartedly the statement that comes out of the Prime Minister's office that the government must be concerned with the broader question of the problems of pensioners and others living on limited, fixed incomes. Therefore I think the least one should settle for at this stage is a committee or task force that will devote its attention to this problem alone.

Mr. H. E. Gray (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am glad to have the opportunity to answer this very important question on behalf of the Minister of National Health and Welfare (Mr. Munro) because of his unavoidable absence. Certainly the matter of improvements in pensions to meet changing circumstances is one which is important to all of us.

I am glad that the hon. member for Winnipeg North Centre (Mr. Knowles) confirmed that a Liberal government established, at the federal level at least, the principle of the automatic escalation of pensions under certain circumstances.

Mr. Knowles (Winnipeg North Centre): But only by 2 per cent.

Mr. Gray: It seems to me that, contrary to what has been suggested by the hon. member for Winnipeg North Centre, the minister's answer which is to be found in *Hansard* for November 19, at least in the way I read it, in no way indicated that the review in question is narrowly limited to the areas of concern which the hon. member mentioned. Let us look at what was said. The Minister of National Health and Welfare answered as follows:

> Mr. Speaker, as indicated, I believe, earlier this session by the Prime Minister, the whole question of our various welfare programs is under review.

The hon. member for Winnipeg North Centre asked the following supplementary question:

> Is the particular question of escalating pensions that have been put into effect included in this review?

The minister replied:

> Yes, Mr. Speaker, all matters pertaining to our welfare programs are part of the review.

Mr. Speaker, every measure of social welfare we have today at the federal level was created by Liberal governments, and I am confident that this government will be equally conscious of its responsibilities to the people of Canada.

• (10:20 p.m.)

WATER RESOURCES—ST. MARY'S RIVER—ACTION RESPECTING POLLUTION

Mr. Maurice Foster (Algoma): Mr. Speaker, I am very pleased to have an opportunity to

appear on the late show this evening, with the other hon. gentlemen who are in the chamber at this time. My inquiry put to the Minister of Transport during the question period today was as follows:

> In view of the report of the International Joint Commission on pollution of the St. Mary's river, does the Minister of Transport plan to take any action against the shipowners who are polluting this river by dumping waste into it?

This report which was released last week, on November 12, is a very comprehensive document which outlines the problems of pollution not only in St. Mary's river but in the St. Clair river and in the Detroit river as well. I am especially concerned with the problem of the St. Mary's river because it runs through part of my riding of Algoma. In Algoma one of our main industries is tourism, and places like St. Joseph island and Pine island which are in the flow of the St. Mary's river suffer when the waters become polluted. As a matter of fact, tourism in this area is rapidly accelerating because of an expanding urban population in Sault Ste. Marie which moves out to the rural areas every summer. However, this trend may not continue, as the pollution of the river becomes more intense. No one would want to spend a large amount of money in the purchase of a lot in this beautiful area, and go to the expense of building a summer home on it, only to find sewage, garbage and oil from lake freighters and ocean-going ships washing up on the beach.

This report of the International Joint Commission indicates that the city of Sault Ste. Marie does have an adequate sewage treatment facility and that the industries which have been putting industrial waste into the river are taking steps to correct the pollution which has been caused by them in the past. It seems to me that the Ontario water resources commission is taking positive action by building a new sewage treatment plant in Sault Ste. Marie and by encouraging the offending industries to instal anti-pollution equipment in their plants.

Now it is up to the federal government to control the ships which are dumping garbage into this river. The main problem seems to occur when there is heavy traffic and the boats have to anchor in the channel, or when there is a low hanging fog over the St. Mary's river valley and ships have to anchor overnight. It is during this period of time that the bilges are pumped and sewage as well as other refuse is dumped into the river. I believe the federal government, through its inspectors in the Department of Transport, should carry on a careful surveillance of these vessels during these periods of time.

The Navigable Waters Protection Act is the statute which controls this matter. Section 20 of chapter 193, the pertinent section, reads as follows:

> No person shall throw or deposit, or cause or permit to be thrown or deposited any stone, gravel, earth, cinders, ashes or other material or rubbish liable to sink to the bottom in any navigable non-tidal waters of Canada where there are not at all times at least eight fathoms of water.

It seems to me that this act gives the department the authority to stop offending ships from dumping garbage into this river. I would like to see the minister, armed with this authority, take positive steps to stop this dumping of waste into the St. Mary's river by Great Lakes freighters and by ocean going ships.

Hon. James Richardson (Minister without Portfolio): Mr. Speaker, the Minister of Transport (Mr. Hellyer) is aware of the problem outlined by the hon. member for Algoma, and I know that I speak for the minister when I say that he is greatly concerned about this matter. In the Navigable Waters Protection Act, chapter 193, sections 19 and 20, it is stated that pollution caused in the manner described by the hon. member is an offence. Enforcement of this section of the act is at the present time the responsibility of the Department of Fisheries.

It is the intention of the Minister of Transport to introduce into the house at an early date amendments to the Canada Shipping Act to correct this situation. These amendments to the act will be enforced by Department of Transport inspectors.

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

HOUSE OF COMMONS

Friday, November 22, 1968

The house met at 11 a.m.

ELECTORAL BOUNDARIES READJUSTMENT ACT

PROVISION FOR CHANGE IN NAME OF RIDING OF WELLINGTON-GREY

Mr. W. M. Howe (Wellington-Grey) moved for leave to introduce Bill No. C-133, respecting the Electoral Boundaries Readjustment Act.

Some hon. Members: Explain.

Mr. Howe: Mr. Speaker, the purpose of this bill is to change the name of the riding I represent from Wellington-Grey to Wellington-Grey-Dufferin-Waterloo—

Some hon. Members: Oh, oh.

Mr. Howe: —in order to give the necessary recognition to those parts of four great counties in southwestern Ontario that I have the honour to represent. I agree, Mr. Speaker, that in some areas a four word name may cause a little more confusion than a one or two word name.

Motion agreed to and bill read the first time.

NATIONAL DEFENCE

NATO AND NORAD—CONSIDERATION OF COMMITTEE RECOMMENDATIONS AS TO POLICY

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to ask the right hon. Prime Minister a question relating to the desire of the members of the standing committee on external affairs and national defence to hold discussions in some depth with the ministers concerned regarding future defence and foreign policy. I would like to ask the Prime Minister whether he will assure the house that before any definite decisions are taken regarding a change in defence policy, specifically with regard to NATO and NORAD, the committee will have an opportunity to consider and to make recommendations on the course of policy.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I understand there will be a meeting of the committee on December 3 when these questions can be discussed. I would further hope that at some time in parliament, on a supply day or otherwise, we will have an occasion to discuss the whole question of external affairs and defence policies.

As I indicated several times, the government has asked for this review because we want Canada to have the best policy for the times. We do not feel we can find it by any magic process. We can do it only by consultation. I would hope there would be consultation not only of experts but of those particular experts called members of parliament in debate. I still have no idea concerning the timing of this report or at what date it will come forward to the government. Therefore I cannot make any specific commitment as to when that will be debated.

I do want to assure members of this house, however, that we will not reach any policy through a device which has bypassed parliament or indeed public opinion. We do want to arrive at a policy which will represent a good policy for Canada and which will have been discussed at all levels of public opinion.

Right Hon. J. G. Diefenbaker (Prince Albert): Why not set aside a day for that in parliament?

Mr. Stanfield: In view of the apparent failure so far to arrange a time convenient to the Minister of National Defence to appear before the committee, could the Prime Minister arrange the earliest possible appearance before the committee of both his colleagues, the Minister of National Defence and the Secretary of State for External Affairs, because I understand the members of the committee are particularly anxious to question these ministers on the subject of the Brussels meeting.

Mr. Trudeau: I repeat that December 3 has been set aside and the meeting of the standing committee on external affairs and national defence has been set up. I am quite sure the ministers, if invited, will be delighted to answer questions on any of these subjects.

Inquiries of the Ministry

Hon. J. A. MacLean (Malpeque): Mr. Speaker, may I first say I appreciate the Prime Ministers co-operation with regard to the committee and his colleagues appearing before it to tell the committee what the situation is at present concerning the commitments which have been made at the Brussels meeting. But with regard to the examination in depth of external affairs and defence policy, will the Prime Minister assure the house that every facility will be given so that evidence before this committee can be taken into account and taken advantage of by the government in arriving at a policy in these very important matters which will have such a bearing on the future of our country?

Mr. Trudeau: Indeed I can give that assurance. Such evidence before that committee will be considered as very important by the government. I might say once again that I do not imagine that on December 3 the ministers will be in a position to speculate very much on our future policy. They can report on what happened at Brussels, but on future policy every member of this house and every citizen of this country is authorized to speculate on the general kind of questions we are asking ourselves.

Mr. Diefenbaker: Speculation should be halted. There is too much speculation and not enough fact.

Mr. Trudeau: Mr. Speaker, I am told there is too much speculation. We happen to believe that thinking is a good thing.

Mr. Diefenbaker: I appreciate that observation, but thinking out loud on external affairs is something no Prime Minister should engage in.

Mr. Speaker: Order, please.

Mr. David MacDonald (Egmont): In view of the Prime Minister's willingness to have his colleagues appear before the parliamentary committee on external affairs and national defence, and in view of the likely divergence of views, would he himself be prepared to appear before this committee?

[*Translation*]

Mr. Gérald Laniel (Beauharnois): Mr. Speaker, I wish to ask a supplementary question.

Could the Prime Minister tell us if the government intends, once the review has been made, to prepare a White Paper to be placed at the disposal of the committee, which would allow not only for constructive work but would also really help to improve our policy in general?

Mr. Trudeau: That is an excellent suggestion, Mr. Speaker, and I will certainly take it into consideration.

As for my appearing before such a committee, as the hon. member has just asked—

[*English*]

I must ask how hon. members could expect me to go before that committee and not think aloud, as I am told by the right hon. gentleman I should not do?

Mr. MacLean: Mr. Speaker, consistent with the search for facts in this important matter of arriving at defence policy, will the government do everything it can to indicate to the Canadian people and the world at large, at the earliest possible time, which of the public stances which the government exhibits from time to time truly represents the Canadian policy, and whether all the assurances, whatever they may be, which are made from time to time to our allies are in fact worth face value?

Mr. Trudeau: Mr. Speaker, I appreciate this question, and I want to explain to the house that it is because of constant questioning on the hypothetical results of the review which is under way that I am forced to make all these statements and think out loud. If hon. members will stop asking me about the eventual results of the review which is still under way, then they will have no speculations.

Mr. Stanfield: Mr. Speaker, may I suggest to my right hon. friend that we would be quite happy if we were sure he was thinking before he spoke out loud.

Mr. Speaker: Order, please. I suggest we now go on to another subject.

HOUSE OF COMMONS

REPORTED INTENTION TO ESTABLISH OUTSIDE ADVISORY GROUPS

On the orders of the day:

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister which he may or may not have anticipated today. I am always pleased when the Prime Minister or any member on the other side of the house is thinking, whether it is out loud or not. I should like to ask him whether he has given consideration to the

question I referred to yesterday. His memory seemed not to have done him a good turn, in that he indicated he had forgotten the details of the question.

Mr. Speaker: Order, please. The hon. member has had the floor for a while but has not asked his question as yet.

Mr. Broadbent: Mr. Speaker, my question, as reported at page 2574 of *Hansard* for November 8, was:

> In view of the potentially serious effect in our system of parliamentary government of the right hon. gentleman's decision to establish a series of regional offices and a body of 150 extraparliamentary advisers, would the Prime Minister at an early date make a statement on motions as to the duties and responsibilities of these new groups?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I do not feel I should make a statement on motions, but I could by way of a short explanation indicate that these regional desk officers are in no way intended to compete with members of parliament. They are merely to provide an additional source of information to me as to what might be happening in various parts of the country. These persons in the regional desks have no legislative role and therefore they are perhaps more free to move around the country and to have access to people at times when members of parliament are held here in Ottawa. These desk officers will also be processing information from members of parliament to give to me. Therefore there is no intention to compete but merely to supplement members of parliament. There could be, of course, no competition anyhow because members of parliament are so far ahead in the political game.

As to the other part of the question, these people who have volunteered to take part in the process of constant evaluation of the performance of the government represent persons who have offered to let my office know of their assessment of the reaction in various parts of the country to things happening in Ottawa. Here again, of course, there can be no competition with members of parliament.

Mr. Broadbent: A supplementary question, Mr. Speaker. If I understood the Prime Minister correctly, he said at one point that the regional desks would be used to follow up information coming from, among others, members of parliament. Does this suggest that members of parliament, whether on the government side of the house or on this side, will have less access to the Prime Minister? I am thinking particularly of members on the opposite side of the house.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

Mr. David Lewis (York South): I have a supplementary question, Mr. Speaker. May I ask the right hon. gentleman whether the people who are to evaluate the government's performance—people outside parliament, I gather—are to be paid for their functions, or is this a purely voluntary effort?

Mr. Trudeau: It is a voluntary effort, Mr. Speaker. I could say that as far as the desks are concerned, members of parliament who want to see me, and do not have time to wait for the appointment I could give them, would be invited to see regional desk officers.

Mr. R. Gordon L. Fairweather (Fundy-Royal): A supplementary question, Mr. Speaker. I wonder whether the information that is going to be provided to the Prime Minister will be public. Will other members of parliament have it available to them?

Mr. Trudeau: Mr. Speaker, I should have thought that the Conservative party would be able to find a few volunteers of its own.

Some hon. Members: Hear, hear.

Mr. Thomas M. Bell (Saint John-Lancaster): I have a supplementary question, Mr. Speaker, in the same connection. Did the Prime Minister receive permission through the usual, proper channels to locate his aides and other ministerial aides in the diplomatic gallery, taking notes all week?

Mr. Speaker: Order, please.

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, my supplementary question is brought on by the reference to the Conservatives seeking volunteers. I ask the Prime Minister whether he is aware of the paid advertisements in the local papers last week in which the hon. member for Ontario, a member of the Liberal party, was seeking volunteers.

[*Translation*]

CANADIAN CONSTITUTION

ATTENDANCE AT CONFERENCE OF OBSERVERS FROM OPPOSITION PARTIES

On the orders of the day:

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

Inquiries of the Ministry

In view of the importance of the coming federal-provincial conference, has the right hon. Prime Minister or the government reached a decision on allowing the representatives of the parties of the opposition to attend the conference as observers?

Right Hon. P.-E. Trudeau (Prime Minister): Yes, Mr. Speaker. I had the opportunity of mentioning last week that we intended to allot a certain number of seats to the parties of the opposition who could delegate observers to the conference. Obviously, this is what I suggested to the provinces, and I have every reason to believe that this sort of arrangement would be agreeable to everyone.

[*English*]

THE CANADIAN ECONOMY

INQUIRY AS TO TABLING OF WHITE PAPER ON COSTS AND PRICES

On the orders of the day:

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I would like to address a question to the right hon. Prime Minister. When may we expect the government to present the white paper on costs and prices about which the Prime Minister was asked questions in the house on October 18? The Minister of Consumer and Corporate Affairs, in the debate in this house on November 8, said it would be forthcoming shortly. I wonder whether the Prime Minister can advise when it will be available.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I thank the hon. member for having told me he would ask this question. I looked up the speech by the Minister of Consumer and Corporate Affairs and found it to be a remarkably good speech.

Some hon. Members: Hear, hear.

Mr. Trudeau: He did say that the white paper would be available later this year. It is still our expectation that it will be available before the end of this year.

Mr. Hees: A supplementary question, Mr. Speaker. Could the Prime Minister advise how much later?

Mr. Trudeau: Well, Mr. Speaker, there are about five weeks left.

[Mr. Caouette.]

PUBLIC SERVICE

REPORTED RECRUITING OF FRENCH CITIZENS FOR CANADIAN PUBLIC SERVICE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, would the Prime Minister tell the house about the recruiting campaign going on in France under the leadership of Mr. Jules Nadon, an official of the federal Public Service Commission and former member of Treasury Board, to bring French citizens into the Canadian public service? What is the reason for this action? Are there not sufficient people in Canada to fill the positions? And is it a fact, as reported, that the reason for this is that the government wants to learn the French government's administrative techniques and experience?

Mr. Speaker: Order, please. This matter may be of importance but I doubt whether it is the type of question which should qualify for the question period. I think it ought to be placed on the order paper.

Mr. Diefenbaker: We must wait for weeks for answers there. It may be embarrassing.

[*Translation*]

HOUSING

QUEBEC—REQUEST FOR ADDITIONAL LOANS TO COMBAT UNEMPLOYMENT

On the orders of the day:

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I would like to direct a question to the hon. Minister of Transport.

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

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

Mr. Laprise: At ten o'clock, Mr. Speaker.

[*English*]

REQUEST FOR POLICY STATEMENT RESPECTING INDIAN HOUSING

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I wish to direct a question to the Prime Minister. Could he or the Minister of Indian

Affairs and Northern Development make a statement about the liberalization of government policy with respect to the deplorable situation that now exists in relation to native Indian housing?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I missed the first part of the question. If it is related to housing and has to do with the department of Indian affairs, I will ask the two minister who are concerned with housing and with Indian affairs about the matter. I shall consult them.

Mr. Howard (Skeena): A supplementary question, Mr. Speaker. Because the Minister of Indian Affairs and Northern Development is scheduled this week end to attend the annual convention of the native brotherhood of British Columbia being held in Victoria, there is an element of urgency in this, and I thought it might be appropriate for such a statement to be made. I wonder if there might be arrangements for such a statement to be made in conjunction with the speech the minister is to make there.

GRAIN

REQUEST FOR EXTENSION OF SPECIAL QUOTA ON DURUM WHEAT

On the orders of the day:

Mr. A. B. Douglas (Assiniboia): Mr. Speaker, in the absence of the Minister of Industry, Trade and Commerce, may I direct my question to the Minister without Portfolio from Saskatoon-Humboldt. Since the special quota for Durum wheat is to expire in a few days, and since many farmers in western Canada have not yet had an opportunity to deliver their Durum wheat because of a shortage of box cars, is consideration being given to extending the special quota so that all farmers will be treated equitably?

Hon. Otto E. Lang (Minister without Portfolio): Mr. Speaker, the special quota on Durum will be discontinued effective November 29. The Canadian Wheat Board has given notice of its intention to discontinue the quota on the agreed date. The board believes that, generally, equitable treatment has been given, and because of the very large deliveries which have taken place this year, 15 million bushels as against 10 million bushels for a similar period last year, it will not be possible to extend the quota. Of course Durum may be delivered on the regular quota after that date.

Inquiries of the Ministry

NATIONAL SECURITY

INQUIRY AS TO REPORT OF ROYAL COMMISSION

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is for the Prime Minister. Since by now he has probably studied the report of the royal commission on security, could he advise us when that part of the report it is considered prudent for the public to know about may be made available to the house?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, officials are now in the process of preparing that part of the report which could be tabled in the house. It has not yet been completed.

COMMUNICATIONS

REPORTED AGREEMENT AMONG FRANCE, GERMANY AND QUEBEC ON SPACE SATELLITE

On the orders of the day:

Mr. Ed Schreyer (Selkirk): Mr. Speaker, my question to the Prime Minister arises out of yesterday's report that France, Germany and the province of Quebec are to enter into a tripartite arrangement to establish an international communications space satellite. Is this arrangement to be covered by the government of Canada's diplomatic aegis, or will it be carried out some other way?

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, may I answer that question. There is no basis to such a report.

Mr. Schreyer: I have a supplementary question for the Postmaster General. I should like the Postmaster General to indicate whether it is not a fact that the province of Quebec is building a ground receiving station for reception from the proposed space communication satellite.

Mr. Speaker: Order, please. I suggest to the hon. member that the question suggests its own answer, is argumentative, and cannot be asked in this way.

[*Later:*]

Mr. Heath Macquarrie (Hillsborough): I should like to direct a question to the Postmaster General who seems more modest than his colleagues about the distribution of his speeches. Would he be good enough to make available to members of this house the address he gave on the communications

department, of which he has been ordained the head.

Mr. Kierans: Yes, I would be pleased to do that.

TRANSPORT

PRINCE EDWARD ISLAND CAUSEWAY—REQUEST FOR STATEMENT OF INTENTION

On the orders of the day:

Mr. David MacDonald (Egmont): I have a question for the Prime Minister. A few weeks ago the Prime Minister met with the government of Prince Edward Island with regard to the construction of the Northumberland strait crossing. I believe at that time he assured the premier a definite answer would be available around the middle of this month. Since an answer is not available as yet, by the 22nd, can the Prime Minister indicate the reason for the delay on this important project?

Right Hon. P.-E. Trudeau (Prime Minister): It is a very difficult decision to make, Mr. Speaker.

Mr. MacDonald (Egmont): I wonder if the Prime Minister can give the house any definite indication as to when we may receive a definite answer on this project?

Mr. Trudeau: Yes. We will have overcome the difficult very soon.

Mr. MacDonald (Egmont): How soon?

FINANCE

CANADIAN ASSISTANCE TO FRANCE IN MONETARY CRISIS

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to ask the Acting Minister of Finance if he is able to tell the house whether Canada has been requested to make any commitment relating to the support of the franc, "libre" or otherwise, and if so what that commitment is. I understand this is the day when the Minister of Finance should be in the house. Since he is not here, I assume it is proper to ask the Acting Minister of Finance today.

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, since the discussions are still continuing it would be inappropriate for me to give a definitive answer now.

An hon. Member: You don't know.

[Mr. Macquarrie.]

Mr. Max Saltsman (Waterloo): I have a supplementary question. In view of the report that a $2 billion fund in non-franc currency is being set up, can the minister tell the house whether Canada has agreed to contribute to this fund?

Mr. Drury: I think the answer is the same.

AIRPORTS

WINNIPEG—REPORTED LACK OF HANGAR SPACE

On the orders of the day:

Mr. Robert Simpson (Churchill): I should like to direct a question to the Minister of National Defence, but in his absence I will direct it to his parliamentary secretary. Is the minister aware of the lack of hangar space at Winnipeg international airport for private and regional operators, and will the minister look into the possibility of providing some space at the armed forces hangars for these people this winter?

Mr. Speaker: Order. I have an impression that this is a repetition of a question asked yesterday by the hon. member. The suggestion at that time was that perhaps it might be discussed at the time of adjournment.

HIGHWAY SAFETY

INQUIRY AS TO ESTABLISHMENT OF PUBLIC ADVISORY BOARD

On the orders of the day:

Mr. Barry Mather (Surrey): Last Friday the Minister of Transport undertook to reply to a question of mine with regard to the rising toll of traffic accidents across Canada, and to indicate what the situation was with regard to the establishment of the long awaited public safety board. I wonder if the minister could reply today.

Hon. Paul Hellyer (Minister of Transport): Yes, Mr. Speaker. As my hon. friend is aware, the provincial ministers directly concerned with traffic safety met in Regina a few days ago. At that time they agreed they would like to join with the federal government in a program which would involve co-ordination and co-operation between the provincial and federal governments. It was suggested also that a conference be held which would include participation by federal and provincial ministers, and this is planned for early next year. There will be a number of items on the agenda of that conference, and I intend to ask that one of those items be the

establishment of the advisory board. I understand there is no objection to this, so we should be able to proceed with it almost immediately after that conference early in the new year.

Mr. Max Saltsman (Waterloo): I have a supplementary question. I wonder whether the Minister of Transport could tell the house if at that conference a discussion will take place on changes in the methods of assisting municipalities in connection with railway grade crossings.

Mr. Hellyer: I would not like to speculate on all the items that might be on the agenda. However, this one relates to a highly important aspect of highway safety, so I would expect the answer would be in the affirmative.

BILINGUALISM AND BICULTURALISM

REQUEST FOR PUBLICATION OF COMMISSION RESEARCH MATERIAL

On the orders of the day:

Mr. R. Gordon L. Fairweather (Fundy-Royal): I have a question for the Prime Minister. I understood the government was investigating the possibility of publishing the research papers prepared for the royal commission on bilingualism and biculturalism. Would the Prime Minister find out if these documents are available, since possibly they would assist us in a consideration of the official languages bill?

Right Hon. P.-E. Trudeau (Prime Minister): I will inquire. I know the commission did intend to publish certain of their research papers, and of course the decision as to which to publish, and when, is in their hands.

Mr. David MacDonald (Egmont): May I ask a supplementary question. Some weeks ago the Prime Minister and I had a discussion in the house about the next volume of the report of this commission which was just about to be published. Since there is still no sign of that volume, I wonder how soon all the report is going to be available, since much of it has already appeared in the public press.

Mr. Trudeau: The answer is that it is the commission that will decide when to publish. My understanding again is that when this pirated version appeared, the report itself was not quite complete and it would be some time before it was published.

[*Translation*]

[*Later:*]

Mr. René Matte (Champlain): Mr. Speaker, I wish to direct a question to the Prime Minister.

Could he tell us whether the government inquiry regarding the premature publication of the third volume of the Gagnon-Dunton commission report has been made, and what are the results?

Mr. Trudeau: Mr. Speaker, the question is not the premature publication of the third volume of the report; rather, if I am not mistaken, it is about research made in a particular field for the publication of that report. I will wait until I receive a report on that investigation from the Solicitor General who, as hon. members know, is not in Ottawa this week.

[*English*]

Hon. Robert L. Stanfield (Leader of the Opposition): A supplementary question, Mr. Speaker. I wonder whether the Prime Minister intends to give us a daily report on the whereabouts of the Solicitor General.

Mr. MacDonald (Egmont): Mr. Speaker, I have a supplementary question with regard to the publication of the report of the B and B commission. I wonder whether the Prime Minister will assure hon. members of this house that that publication will be made available prior to the federal-provincial conference in December.

Mr. Trudeau: Mr. Speaker, I cannot give that assurance. I do not control the commission. However, they will have been made aware of the representations of the hon. member.

Mr. David Lewis (York South): Mr. Speaker, I have a further supplementary question which I ask because of some confusion that has been created as a result of the exchanges. Is the Prime Minister suggesting that the report in respect to which the Renaud research was published in *La Presse* will be the next volume, or is it not true that the next volume will deal with education and that the other report is the third volume that is due quite a number of months hence?

Mr. Trudeau: Mr. Speaker, that is also my understanding. I was just trying to reformulate the question which was about the third volume, and I was indicating to the hon.

member that he was probably referring to the research piece, not to the volume itself.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I would like to ask a supplementary question.

A few days ago the Prime Minister stated that he would hold an investigation to find out where the leaks occurred with regard to the publications of the commission on bilingualism and biculturalism.

[*English*]

HOUSING

REPORTED CONSIDERATION OF INCREASE IN MORTGAGE LIMIT

On the orders of the day:

Mr. Jack Cullen (Sarnia): I have a question for the Minister of Transport arising out of a Canadian Press report that the government of representatives of the federal housing authority were considering a suggestion that the limit on mortgages be raised from $18,000 to $35,000. I ask if this is so, how will it cure the problem of those in the $6,000 to $9,000 income range?

Mr. Speaker: Order. Perhaps the minister might answer the first part of the question. I would think the second part of the question would be unacceptable.

Hon. Paul Hellyer (Minister of Transport): In answer to the first part of the question, Mr. Speaker, I can only say that every conceivable device is being considered to try to extend to Canadians the maximum range of choice in housing and the maximum financial arrangements to permit them to rent or buy the homes of their choice.

Mr. Cullen: I have a supplementary question. I wonder if the minister is also going to give consideration to increasing the loan limit for refurbishing a home?

Mr. Hellyer: That was covered in my first answer, Mr. Speaker.

INQUIRY FOR RETURNS

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): On October 30 the house passed an order for the production of papers which I had requested concerning the British Columbia Hydro rail route from the Matsqui area to Roberts Bank. I wonder if the President of the Privy Council might look into the reason for the delay in these documents becoming available.

Hon. Donald S. Macdonald (President of the Privy Council): I would be glad to do so, Mr. Speaker.

[*Translation*]

EXTERNAL AID

NIGERIA—INQUIRY AS TO REPORT BY CANADIAN PARLIAMENTARIANS

On the orders of the day:

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to ask the right hon. Prime Minister whether he has received or studied a report which would have been supplied by the two Canadian members who went on a visit to Biafra and Nigeria and whether it is his intention to implement their recommendations?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I have not yet met those parliamentarians; I hope to meet them soon.

[*English*]

LABOUR CONDITIONS

NEWFOUNDLAND—UNEMPLOYMENT RESULTING FROM FISH PLANT CLOSING

On the orders of the day:

Mr. Jack Marshall (Humber-St. George's-St. Barbe): My question is for the Minister of Fisheries. In view of the emergency which has arisen in northwest Newfoundland as a result of the closing of a fish plant, thus causing unemployment for some 500 people, would somebody on that side do some thinking to see if we can find a solution to this emergency?

GRAIN

SASKATCHEWAN—REPORTED INADEQUATE DRYING FACILITIES

On the orders of the day:

Mr. John Burton (Regina East): Mr. Speaker, my question is for the Minister of Agriculture, but in his absence and the absence of both the first and second acting ministers I wish to direct my question to the Prime Minister.

Since the Saskatchewan Federation of Agriculture has taken serious issue with statements made by the minister in this house

regarding the adequacy of grain drying facilities to meet the serious situation in Saskatchewan, and in view of reports by the Saskatchewan department of agriculture about the complete inadequacy of these facilities—

Mr. Speaker: Order. The hon. member cannot make a speech; he should ask a question.

Mr. Burton: —would the Prime Minister ask the Minister of Agriculture to give further consideration to this serious problem in order to determine what measures should be taken to deal with it?

POST OFFICE DEPARTMENT

RECLASSIFICATION OF SURPLUS RAILWAY MAIL CLERKS

On the orders of the day:

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I should like to direct a question to the Postmaster General. In view of the assurances given to the Public Service Alliance of Canada that there would be no change in the status of surplus railway mail clerks until the matter could be settled through collective bargaining, could the minister advise the house why the Post Office Department has begun a reclassification of all surplus railway mail clerks without any prior consultation whatsoever with the bargaining agent for the respective employees?

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

Mr. Skoberg: Mr. Speaker, on a point of privilege, I suggest very respectfully that these mail clerks are being reclassified, and that the matter is of utmost urgency to them and should be raised today, not at some later date. I would ask that the minister be allowed to answer.

Mr. Speaker: The hon. member for Témiscamingue.

[*Translation*]

CANADIAN NATIONAL RAILWAYS

PROPOSED LAY-OFF OF SECURITY STAFF, ATLANTIC REGION

On the orders of the day:

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

The Police Association of the Atlantic area has been informed by the Canadian National Railways of the lay-off recently of about 20 constables. Is the minister aware of the situation and can he tell us what steps his department intends to take so as to avoid the dismissal of these constables in the Atlantic area?

[*English*]

Hon. Paul Hellyer (Minister of Transport): Yes, Mr. Speaker, and I have asked the Canadian National Railways for a full report in respect to it.

HEALTH AND WELFARE

PROTECTION OF TELEVISION VIEWERS AGAINST RADIATION

On the orders of the day:

Mr. Max Saltsman (Waterloo): Mr. Speaker, I should like to direct my question to the Minister of Consumer and Corporate Affairs, since he has been attending so dutifully today and has not had a question directed his way. Could the minister inform the house whether he is considering a bill similar to the one recently passed in the United States to protect television viewers against radiation?

Mr. Speaker: Order. I wonder whether this is a matter of such urgency that it should be asked at this time. It seems to me that the hon. member should put the question on the order paper.

NATIONAL DEFENCE

INQUIRY AS TO RETROACTIVE PAY INCREASES

On the orders of the day:

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is to the Acting Minister of National Defence. The minister indicated in mid-October that a statement would be made on the armed forces salary scale about mid-November. I should like to ask the acting minister when the statement will be made.

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I understand that an announcement will be made on Monday.

TRANSPORT

REQUEST FOR STATEMENT ON FERRY SERVICE, SAINT JOHN, N.B.-DIGBY, N.S.

On the orders of the day:

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I have a question for the Minister of Transport. Would the minister make a statement this afternoon when the

transport estimates are brought before the house in regard to the Digby-Saint John ferry, other than saying that he would assure his hon. friends—

Mr. Speaker: Order, please. The hon. member has brought the attention of the house to the fact that the transport estimates will be under consideration later today, and this question should be asked then.

FARM MACHINERY

TRACTORS—REPORTED SAVING ON IMPORTS FROM U.K.

On the orders of the day:

Mr. W. M. Howe (Wellington-Grey): Mr. Speaker, I have a question that should be addressed either to the Minister of Agriculture or to the Minister of Industry, Trade and Commerce but in their absence, and since farmers are consumers in Canada, I will address the question to the Minister of Consumer and Corporate Affairs. May I ask the minister whether his attention has been drawn to a news report appearing in today's paper which indicates that seven farmers went to England and purchased tractors, brought them back to Canada and realized a saving of $20,000?

Mr. Speaker: Order. I have some doubt whether this question is in order. The hon. member is asking whether this report has been noted by the minister, and that in itself does not justify the question. If the hon. member sees an urgency to the matter which is not apparent to the Chair, then he can give me notice that he wishes to discuss it at the ten o'clock adjournment.

Mr. Howe: With respect, Mr. Speaker, a survey is, after all, being conducted by the Department of Agriculture of the cost of agricultural machinery in Canada. I think this is a very urgent question at this time, and a news report about it has been published.

Mr. Speaker: The purpose of the standing order is to provide that where there is disagreement as to urgency and an hon. member feels that the matter is urgent, the question can be discussed at the time of adjournment.

Mr. Howe: A supplementary question, Mr. Speaker.

Mr. Speaker: Order. The question is not in order, so there can be no supplementary.

[Mr. Comeau.]

INQUIRY OF THE MINISTRY

On the orders of the day.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I have a question for the Prime Minister. In view of his statement yesterday that the Solicitor General had been tracked down, could the Prime Minister give us a progress report on the activities of the Solicitor General?

Mr. Speaker: Order, please. The question period has expired.

SUPPLY

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

DEPARTMENT OF TRANSPORT

1. Departmental administration, $8,292,200.

The Chairman: Order. House again in committee of supply, revised estimates of the Department of Transport for the fiscal year ending March 31, 1969. Vote No. 1 will be found at page 496 of the blue book; the details thereof are listed at page 501. Shall the item carry?

Hon. Paul Hellyer (Minister of Transport): Mr. Chairman, in presenting the estimates of the Department of Transport I feel it might be helpful and useful to take a few minutes of the committees' time to give hon. members some general explanations in respect of the more important areas of activity in the Department of Transport, particularly in relation to where substantial expenditures are necessary. I propose to deal with the main estimates of the department first and to confine my remarks to them.

It will be of interest to note that the form of the estimates for 1968-69 is somewhat different from that of previous years. One of the recommendations of the Glassco commission, as approved by the government, was that:

> —where appropriate (i.e. where revenues are sufficiently large in proportion to the total vote to justify it) revenues be offset against related expenditures in individual votes: in such cases votes to be shown in the estimates and controlled on a net basis.

• (11:50 a.m.)

After serious consideration of the many factors involved, not the least of which was that in 1968-69 we expect departmental revenues to exceed $48 million, we decided that we had reached the point where we should give effect to this recommendation. You will note, therefore, that votes 5 and 30 which provide funds for administration, operation and maintenance of marine services and of

air services, respectively, have this year been treated on the basis suggested by the Glassco commission, i.e., with the applicable revenues deducted from the gross total of expenditures to arrive at the net amount to be voted. We believe this manner of treatment of departmental revenues will be more informative.

In the year when such a change is first made it results in showing amounts which are not strictly comparable with those of the previous year when voting was on a gross basis, but this is only a one-time effect and will not be a factor in future years. We considered the possibility of showing the revenues of the previous year in the new manner in order to provide an exact basis of comparison, but this was found to be impossible because the previous year's figures would then no longer have indicated the amount actually voted by parliament. Nevertheless, if reference is made to the details of the estimates it will be found that there are listed, by sub-votes, both the revenues and expenditures of the past three years.

In dealing first with the marine services of the department I would like to report that the Canadian Coast Guard is involved in the annual sealift of northern supplies for government posts and installations in the Arctic. The tonnage involved is approximately 100,000, of which something less than half is for military installations. It is departmental policy that as far as possible supplies for the Arctic shall be carried by chartered ships with coast guard support confined to icebreaker and escort, and the provision of specialized landing craft which are not commercially available. An increase in estimated expenditure over last year is attributed to increases in charter rates, costs of stevedoring services and ship operating costs generally as well as some increase in the scope of our icebreaker activities.

Cost of operating coast guard lights and buoy tenders have risen some $74,000, due entirely to increases in wages, materials and supplies. The increase has been modified slightly by the substitution of one ship, the C.C.G.S. *Bernier* for two old vessels in the Quebec agency.

The Canadian organization for marine search and rescue is based on the use of all available resources under the general co-ordination of the Department of National Defence. In practice, the Department of Transport has a major role in marine search and rescue, as it has the largest fleet of government vessels, through its responsibility for the provision of specialized craft and through the use of the D.O.T. communications network. An increase in estimates for this activity of some $200,000 is accounted for in part by an increasing commitment as a result of the larger number of small pleasure craft in our waters and greater public demand for this service as well as the first steps toward the acquisition of new craft under a program announced earlier.

The increase also reflects the acquisition of a hovercraft for operation on the west coast.

The department operates a service for the support of shipping in the gulf and lower St. Lawrence in winter consisting of aerial ice reconnaissance for the acquisition of information about ice conditions and an ice office in Halifax for interpretation and forecasting operated by the meteorological branch, ice information offices for the provision of information and advice to ships, and icebreaking. In addition, icebreaking is done in coastal fishing harbours, in support of some ferries and for flood control in the St. Lawrence between Quebec and Montreal. In general it is the department's policy to break ice only in the main shipping routes and approach channels, the responsibility for basins and water alongside wharves being left to their owners, except in the case of government-owned wharves.

Cost increases are partly due to general increases in the cost of ship operations, and partly the result of a growing demand for icebreaking brought about by the realization that the movement of commerce through our ice-congested waters in winter is perfectly practicable with the use of suitably strengthened merchant ships. The increase in winter trade in our waters has been spectacular in the last few years, and although it has slowed down it is expected that the long term trend will be toward continued increase.

Canada has responsibility by international agreement for the operation of an ocean weather station in the Pacific and this is undertaken by two coast guard vessels. The estimate for the operation of these craft shows a reduction from last year which was a transitional period between the use of old vessels and their replacement by the larger modern vessels *Vancouver* and *Quadra*. During the period of transition it was necessary to keep all four ships in operation while the new ones did trials and work-ups, but this period is over and the older ships are being disposed of.

The department maintains a college for the training of junior officers for the Canadian

Coast Guard. The college is also to be used for refresher and specialist training of older officers. The college now inhabits converted temporary wartime buildings formerly occupied by the navy at Point Edward, Nova Scotia, and the estimates include a provision toward the acquisition of a permanent establishment.

Improvements recently introduced in the marine traffic control system in the St. Lawrence river below Montreal will be assessed during the coming year and, except for some improvement in the radio communication facilities, 1969 will be considered as a period of consolidation for both equipment and procedures. Traffic control, with its attendant information services, will continue to extend gradually westward during the coming years in accordance with previously announced plans for an integrated system throughout the St. Lawrence waterway. Improvements in up to date methods of data collection, transmission, display and dissemination will continue in marine information services.

The widening of the ship channel through lake St. Peter began in 1969. When this project is completed, the minimum width of the channel will be 800 ft. throughout. Widening of this 20-mile long channel will take three years to complete at a cost of $7,500,000. The allotment for 1968-69 is $2 million. A project is at present under way to improve the north channel below Quebec. This is the only remaining section of the St. Lawrence ship channel not dredged to the statutory depth of 35 feet. This north channel work replaces the proposed plan to deepen the south channel in the same region to the same depth of 35 feet. Representations by the Pilots' Association, and a subsequently higher estimated cost to bring the south channel to prescribed standards, were instrumental in postponing the south channel project indefinitely. An amount of $2,139,000 has been allotted to the dredging below Quebec for 1968-69.

In the interest of safe navigation, work continued in 1968 on the removal of a mid-river shoal at Trois-Rivières. The 1968-69 allotment is $2,165,000.

Experimental ice booms and islands were placed in lake St. Peter in the fall of 1967 to develop a means to prevent ice from drifting into the main channel. The success of this experiment to date warrants its continuation in 1968-69. The allotment for 1968 is $525,000, to cover the cost of improving the ice boom system and artificial ice retention islands.

[Mr. Hellyer.]

An amount of $300,000 is provided for the construction of a pilot boat to be based at Prince Rupert where it will replace a wooden boat which has come to the end of its useful life after 35 years.

• (12 noon)

Funds are provided to establish a maritime safety council, which would be a consultative body representative of government, management and labour in the commercial shipping industry, for the purpose of advising the Department of Transport on all matters of safety relating to commercial ships and vessels, at an estimated annual cost of $50,000.

Funds are also provided for the construction of 44-foot shore-based lifeboats, various barges and other small craft; also funds to cover research and development toward the construction of better and more efficient vessels to serve the Canadian public.

To increase safety on the St. Lawrence river and extend the navigation season $1.2 million has been provided for the construction of new offshore piers that will provide navigational lights.

Navigation throughout Canada will benefit from the construction of lighthouse buildings, light towers, fog alarms and fog alarm buildings which, together with the cost of equipment required to service these aids, represent an expenditure of approximately $4.5 million.

There are several items of significance in the air services. They include in the airports activity the takeover from municipal governments of the operation of airports at Saint John, New Brunswick, and House Harbour, Quebec, the complete operation of Goose airport for a full year for the first time, and the opening and operation of the new air terminal at Vancouver international airport which commenced operation in September. In the control of civil aviation funds have been provided for a new flight safety division which will permit a more vigorous compaign on air safety practices and accident prevention.

In air traffic control an accelerated program continues for recruiting and training controllers. Funds for five additional control towers are provided in the estimates and it is planned to provide each air services region with one mobile control tower for temporary control services as the need arises.

Funds for the telecommunications bureau and administration bureau, formerly included in air services accounts, now appear under

the Post Office Department in the main estimates and this results in a subsequent net reduction of $3,431,000 in air services expenditures.

In meteorological services additional funds are budgeted for new weather observing programs to be undertaken by contract ($200,000), increasing the number of ice reconnaissance flights ($140,000), and an extended program for fellowships and contracts with universities for research studies ($90,000). The estimates also include necessary funds for the transfer of the annual airlift of supplies for Arctic weather stations from the Canadian armed forces to commercial carriers at a cost of $100,000.

Funds are included for the acquisition and construction of complex facilities to serve the rapid development of air transport. Some of the major projects include the construction of a new area control centre at Vancouver international airport ($1,300,000), and the construction of a low level bridge across the middle arm of the Fraser river to improve access to that airport ($825,000), the start of construction on a second air terminal at Toronto international airport and a substantial program to improve existing terminals at Montreal and Calgary.

Special centre line and touchdown lighting, scheduled for major main line airports over the next five years, will be installed at Montreal and Vancouver international airports, costing $300,000 for each installation. These lighting systems will improve the frequency and safety of landings in very poor weather conditions. Provision is made for a start in the development of a main line airport to serve the Churchill Falls development, for a start in the redevelopment of the airport at Matane, Quebec, and for starts of runway improvements at Fort Chimo, Schefferville, Red Lake, Inuvik and Norman Wells. Experience has shown that work of this nature cannot be completed in one construction season. An amount of $600,000 is provided to acquire land for the development of a satellite airport at Calgary for light aircraft in order to prevent the volume of traffic exceeding the capacity of the main airport serving that city. An amount of $300,000 is also provided for further development of the satellite airport serving Winnipeg.

A number of special projects are planned to advance our techniques in the control of air traffic by the use of radar. These include a secondary surveillance radar system which will greatly enhance the amount of flight information which can be sent electronically from the aircraft to the ground controller ($1,450,000); new techniques will be developed in the display of radar data and its conversion to electronic signals which will be adaptable to computer use ($350,000); and the continuation of improvement of radar displays so that they can be monitored under daylight conditions ($474,000). A program of improving instrument landing systems at major airports to meet new international standards is entering the third year of an eight year $5 million program.

With respect to railway and ferry services the introduction of the new rail car ferry *Frederick Carter* for the major portion of 1968 will result in a decrease from past years' cost on the Cabot strait ferry service. A new ferry service running between North Sydney, Nova Scotia, and Argentia, Newfoundland, commenced operation on June 14, 1968.

The construction program for terminals and vessels on ferry services has decreased considerably as a result of completion of the main facilities and vessels. The federal government has now taken over direct responsibility for provident fund deficits.

The proposed new road and motor vehicle safety office to be established in the department has been delayed somewhat because of the over-all government financial restrictions. It is expected, however, that the staff for this safety office will be recruited shortly and the office will become operational by the end of 1968. Following formation of the safety office a public advisory board will also be created.

In addition to the estimates of the Department of Transport I am submitting those of the National Harbours Board. The capital expenditures proposed for this agency aggregate $29,172,000, of which $5,022,000 will be financed from its replacement and other funds.

The major items in the construction program to be undertaken by the board contemplate expenditures of $11,394,000 for wharf construction and acquisition, $2,546,000 for shed construction and renovation, $2,390,000 for elevator construction and renovation, $5,800,000 for property acquisitions and site development, $2,235,000 for provision of facilities for container handling, $722,000 for renovation and construction of buildings, $304,000 for paving harbour properties, $340,000 for harbour railway extensions, $155,000 for patrol and work vessels, $2,000,000 for St. Charles river project, Quebec—construction of retaining walls, $425,000 for underground

services, sewer installation and replacement of electric sub-station, and $225,000 for replacement of electrical equipment—grain elevator system.

If I may I would now like to refer to the St. Lawrence Seaway Authority. As of November 14, 1968, bulk cargoes were up by 8 per cent on the Montreal-Lake Ontario section and by 7 per cent on the Welland section, compared with the same period in 1967. General cargoes increased by 32 per cent on the Montreal-Lake Ontario section and by 40 per cent on the Welland section, compared with the same period last year. Total traffic is 11.6 per cent more on the Montreal-Lake Ontario section and 10.5 per cent more on the Welland than during the same period in 1967. The increase in bulk cargoes took place notwithstanding the seaway strike and a decreased flow of grain from the lakehead. The increase in general cargoes is due mainly to a substantial increase in the movement of manufactured iron and steel.

The 1967 navigation season marked the first full year of operation of the new traffic control centre on the Welland canal. This traffic control system, which had become operational in the summer of 1966, was expanded during the non-navigation season of 1966-67 to include the lock and harbour areas of the canal. The procedure, which includes the use of closed circuit television and telemetry, has improved the scheduling of vessels through the canal and has resulted in substantial reductions in lock cycle and round trip transit times.

The techniques and experience gained on the Welland are being applied gradually in the eastern region, with certain refinements. The first step in this project was the installation of new traffic lights and a surveillance system at the Beauharnois lock, as well as modernization of the Beauharnois traffic control centre. This became fully operational in 1968.

• (12:10 p.m.)

Work continued in 1967 and early 1968 at the Côte Ste. Catherine and St. Lambert locks to provide a better control of icing conditions during the critical closing and opening periods of the seaway each year. These works include ice diversion channels and ice flushing culverts at both locks and an enlargement of the regulating works at the Côte Ste. Catherine lock.

The seaway authority announced in March of this year that the Lachine and Cornwall canals would be closed to navigation permanently at the end of the 1968 season. These shallow draft canals, once important links in the old St. Lawrence canals system, have become increasingly uneconomic in the face of rising operating costs and diminishing traffic resulting from the opening of the seaway in 1959. The 11 million tons carried by these canals in 1958 had decreased by 1967 to 338,000 tons on the Lachine and 100,000 on the Cornwall.

Although the closing will not necessarily affect the water supply and drainage facilities of local industries, the maintenance of such conveniences will, of course, become much more costly. Accordingly, the availability of a cheaper alternative is under study, and the matter will be reverted to when the study and consultations with interested municipalities and industries have been completed. Work continued in 1968 on the construction of a new channel to bypass the city of Welland. Settlement has been reached with about 83.6 per cent of the owners of the 4,000 acres of land expropriated for this purpose. Clearing of the right of way is essentially complete. Five major contracts have been awarded for about 5.93 miles of the total 8.3 miles of excavation required. By the end of 1968 contracts covering channel excavations for approximately 7.28 miles out of the over-all total length of 8.3 miles of the Welland by pass should be under active construction. Approximately 23 per cent of the required total channel excavation for the Welland bypass was completed as of August 31, 1968.

The year 1968-69 represents the first full year of operation of the Canadian Transport Commission which came into being pursuant to the proclamation of part I of the National Transportation Act last fall. While still undergoing the process of organization, the regulatory aspects of the commission's operations, to the extent authorized by the legislation thus far proclaimed, are proceeding in a normal manner and represent to a large extent a continuation of those functions carried out by the commission's predecessor agencies.

In keeping with the government's policy of maintaining the highest possible level of commercial air services in regional areas, the air transport committee has initiated an increasing number of examinations of regional requirements during the past year. For example, public hearings of this nature were undertaken in the maritimes, Manitoba, Yellowknife and Frobisher Bay and resulting decisions have been issued or are under current examination.

The railway transport committee has received and is dealing with some 160 applications relating to the abandonment of non-guaranteed branch lines, discontinuance of railway passenger train service, the removal of railway station agents and caretakers, and applications for the inauguration of master agency and customer service plans of the major railways. In addition the committee has recently conducted a public hearing designed to produce uniform costing procedures to be used by Canadian railways which will ensure that at all times the commission and the railways will use proper costing methods and that cost figures submitted by the railways or determined by the commission will be correct and acceptable for the purposes of the Railway Act.

During the past year over $26 million has been committed from the railway grade crossing fund to provide assistance to municipalities in meeting the costs of constructing or reconstructing 67 railway-highway grade separations, 11 diversions, and the installation or improvement of automatic protection facilities at 544 railway-highway crossings. In accordance with the provisions of the National Transportation Act relating to the gradual reduction in subsidies to railway and transportation companies, it will be noted that a decrease of $14 million has been made in the provision of the estimates now before the house, which reflects the first of the annual decreases established.

In the early part of the year the water transport committee completed the public hearings stage of the inquiry into the ownership and registration of ships in Canada. The committee's report is in the process of preparation and is expected to be completed shortly.

In accordance with the provisions of the National Transportation Act a research division has been created within the commission. In addition, an advisory council on research, comprising informed Canadians outside of government, has been established to assist in developing a research program and assigning priorities within it. The forecasting of transportation supply and demand and the undertaking of broad cost-benefit studies in the transportation area will be central to the research program.

The estimates for the Canadian Transport Commission, the National Harbours Board and the St. Lawrence Seaway Authority have been referred to the parliamentary committee on transportation, while the estimates of the department are being dealt with before the house. Indeed, I understand that the parliamentary committee is meeting today on these subjects. For that reason, in response to any questions from hon. members I propose to limit my comments or answers to matters concerning the department only, since questions relating to these other agencies should be raised and can be answered in the parliamentary committee where special witnesses are available for this purpose.

The Chairman: Order, please. At this time I should like to make a suggestion to the committee. Further to the concluding remarks of the minister, the committee will notice that items 45 and L 115 dealing with the Central Mortgage and Housing Corporation are part of the estimates of the Minister of Transport. If there is general agreement, I believe it possibly would be in the interests of orderly procedure if we were to avoid a discussion of these items because they are before a standing committee. We might concentrate in committee of supply on the transportation items alone.

Mr. Bell: Mr. Chairman, I think we are in agreement with the exclusion of the housing item from the discussion, but in so far as these other matters are concerned which are before committees I feel we are entitled to mention them where policy is concerned particularly when the minister, so far as I know, has made no full statement before the committee. The first proviso, however, is valid so far as we are concerned.

May I say we are very pleased to have the comprehensive report the minister has given us. I believe it is one of the first concrete moves he has made to show he is interested in transport. Once or twice I almost detected a faint glimmer of pride when he was outlining the new and extensive activities of his department. The hon. member for Oxford is our chief spokesman in matters of transport and he has dealt extensively with this subject in the committee and in the house from time to time. I am really pinchhitting for him. If the minister understands anything about the navy he will realize that I have been taken out of mothballs to say something on these estimates today.

I recall that when the former minister, Mr. Pickersgill, left he made this announcement which has been mentioned in the house previously: "I am leaving the department. It is in great shape. My job has been completed. I have finished the great work in transport." Yet simultaneously in another interview the

present minister said: "I consider this the greatest challenge of my life; the department is in such a mess." Of course, in thinking the minister might be right one is tempted to ask the rhetorical question, what kind of a mess is the Canadian Transport Commission now in with Mr. Pickersgill as its new head? I do not know who is right in this argument, but I do suggest that the department is a tremendously complex one which affects all walks of life in Canada.

• (12:20 p.m.)

I pay tribute to the minister in that I think he has the energy and capacity to tackle the problems facing transport. He did so in respect of national defence. I do not agree with what he did and I said so in the house, but if he puts his mind to these problems I think he has the capacity and has demonstrated that he can use it. I hasten to place on the record that transport has been sadly neglected while the minister has been galavanting about the country on his housing foray which has so far shown little success. We recognized long before the government that housing has a definite priority, but I wonder what is happening to his giant department while the minister is piloting this inquiry.

I cannot help but use nautical expressions when I think of the minister wiping out the navy. He seems to want to assume command and be the pilot. This is about the only nautical action in connection with transport that the minister has taken since assuming his present portfolio. In any event Mr. Pickersgill has left—I will deal with him later—and the present minister is at the helm. But all we have, as has been stated many times in this house, is a lot of unfinished business.

First of all, I think of the various reports and surveys which have been coming up so fast in this department. Many of them have been requested by members on this side of the house, but where are these reports? I have not had the chance to deal extensively with them and I do not know the state of them. This is one of the reasons we want the minister in the house, so he can deal with the problems of transport on a day to day basis and give us up to date information. We do not know, for example, the state of affairs concerning the marine branch of the minister's department. What is happening in respect of the Canada Shipping Act? We know something is to be done in this regard but we have not heard anything about it.

[Mr. Bell.]

The pilotage report was completed, and I agree with many of its recommendations, but how are these being treated by the department? The minister has not said anything in that regard. We also have the National Harbours Board report. I understand the minister fell asleep over the week end while reading it. We do not know the position with respect to that report. The merchant navy has been under study on three occasions in recent years that I can remember. Promises were made during the election campaign in this regard. They have been referred to in the house, but what has the government done? It is going to conduct another study, but the difference is that this one is to be in depth. I hope we do not have to go through all these other studies and start new ones in depth.

The Canadian shipbuilding industry is floundering. What is the government doing in this regard? What is taking place in respect of containers? One of the officers of the transport commission said the other day that within a few weeks another research study would be conducted on containerization. We have many problems in respect of ferries, at least in the maritimes, and they are still up in the air.

I have only dealt thus far with the marine situation, but what is happening in respect of air transport? The minister told us about the many new plans the department has in so far as air transport is concerned. I should like the minister when he replies to tell us what the position is of the Wheatcroft report, the Robinson report and the Thompson report. Those are three I can think of right now without looking anything up, and there may be many more. What is happening to the new plans for airport development to accommodate the new jumbo jets?

We must not forget the rail transportation system. There have been all kinds of promises in this regard, and these promises have been indelibly recorded in this house. The former minister stood up when we were passing the National Transportation Act and said that the government would deal with the problems facing the maritimes if the house would only let that bill go through. We did so but these problems have not even been reported on. How about the changes in the Maritime Freight Rates Act? What is happening in respect of l.c.l. business? There have been so many reports on this subject I cannot keep them straight. They have been passed on to the provincial governments which have in turn passed them back to Ottawa. We must

pay attention to those regions of Canada which were left out when the new National Transportation Act was passed.

Many other matters dealing with different facets of transportation have also been postponed. I understand that the entire responsibility in respect of satellites has been turned over to the new Postmaster General. Perhaps that is a good thing. However, I do not know where these reports are. I hope the new Minister of Transport received them when he took over. I have referred to about ten of them. Are they lying around in the minister's office or did Mr. Pickersgill take them with him? Perhaps they are in the reading room of the Rideau Club. I want to know where these reports are and I want an up to date review. Let us know what is happening.

This brings up the question of who is really the boss in respect of transportation in this country. Is it the minister or is it the new chief dictator of the Canadian Transport Commission? One of them is relaxing and holding cabinet meetings—small ones, I must admit—at the Rideau Club each day. On the other hand we have an itinerant traveller in the person of the minister himself running about the country. Who is running this department and who is the real boss? Is it pious Paul or sailor Jack who is running this department?

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

Mr. Bell: Yes.

Mr. Harries: My friend has talked about the itinerant minister. He is referring to one of the most senior cabinet members in the government. Does he not think that part of the duties of the Minister of Transport is to travel about and find out what is going on in this country so that he can assess these problems and their effects on this nation? Does he not think this requires a diligent inquiry?

Mr. Bell: The minister is travelling throughout the country but we would prefer him to be in the house on the days he is supposed to be here, which are few enough as it is. We also think he should pay some attention to transportation as well as to housing. Let me take this opportunity to say something about the outrageous attendance roster for ministers which has been initiated. I see that the understudy to the Minister of Transport is in the house and I am glad he is here. I think I am paying him the biggest compliment I can by suggesting he is the type of man who would be in the house every day of the week if only the Prime Minister would allow him to be here on those days he is not supposed to be here.

I have referred to the czar of the transport commission who holds meetings at the Rideau Club. I think he feels the weight of his responsibilities a little and that on many occasions when he holds these meetings and begins to stick out his chest he feels he is really still the minister of transport. Mr. Pickersgill was discovered at a meeting in Halifax on November 9. I know there has been some denial in the press in this regard, but I suggest there must have been something going on in view of the fact the minister said, as reported in a Halifax newspaper:

> Hon. J. W. Pickersgill said in Halifax during the week end he has confidential information to back up the statement.

The statement was that Halifax will be the likely choice as the eastern container terminal. I am not quarrelling in respect of Halifax *v.* Saint John, as we are friendly rivals in this regard, but I do not think the head of the transport commission has any business making statements which would indicate that he prefers Halifax over Saint John.

Mr. Hellyer: Would you settle for Halifax, then?

• (12:30 p.m.)

Mr. Bell: This is what we are up against when we talk of transportation. I hope the minister will continue to stand up on his own two feet and be proud of his department. I hope he will accept all his responsibilities. Let us have full cabinet meetings to decide on solutions to transportation problems. Never mind these little meetings in the Rideau Club over lunch.

Another matter I want to refer to concerns the National Harbours Board. Its estimates are being dealt with in committee, as the minister has said. I only want to reiterate what I said the other day, that the National Harbours Board has in my opinion been very fair in the past in its treatment of all Canadian ports that come under its jurisdiction. I have no quarrel with the way it has acted in this regard. Many of us feel the National Harbours Board might have done more, but I do not think there is any allegation that it has given preferential treatment to one port over another.

However, a situation has developed in the eastern Canadian ports which requires that

the National Harbours Board continue to be scrupulously fair with regard to providing facilities or advantages to each of the ports. We dealt with this question yesterday. I simply say that in connection with rail transportation rates in and out of these ports, and also the most important matter of wharfage costs, there should not be hidden benefits or advantages to any port. We have every confidence in the officials of the board but we do not want them to say that things are all right and find they are negotiating on an unfair basis with respect to all ports. They will be judged afterwards if it is found that in any agreement there has been any question of preferential treatment.

I am happy that we are moving into the container field. The first step, of course, is the provision of container facilities, but some day we will move into the land bridge concept on which there is some disagreement, according to Mr. Cope of the transport commission. I hope Canada will move forward and take its justifiable geographic position as the centre of the giant bulk transportation system which experts feel will spread throughout the world.

The other matter I want to mention concerns an incident involving myself and two or three other members when we were returning to Ottawa from the November 11 ceremonies in the maritimes and were stuck at Dorval airport for 21 hours. This was an unbelievable occurrence. The delay was due to a freak storm. I have no quarrel with Air Canada in this regard except that I think they were too optimistic about the possibility of clearing traffic. I feel there was a mistake in judgment, but at least it was an honest one and they were probably trying to save the taxpayers' money.

As I say, we were stuck in the airport for 21 hours. We could not even get to the railway station to use the trains that were evidently still running. All this time we were wondering about the runways being cleared, and nothing was done for a great many hours. The next day, 24 hours later, just the main runway was cleared. I made inquiries about the matter. I want the minister to investigate it because Montreal is trying to be the centre of air transport in Canada and to take the overhaul base from Winnipeg. I wonder what the reason was for the runways at Dorval airport not being cleared. It was put to us unofficially that the reason was that the contract did not begin until November 15 and because it was November 12 there was no equipment at the airport.

[Mr. Bell.]

If the minister does not believe what I say about this matter he should talk to the Minister of Manpower and Immigration who was right there with us. So that hon. members will not think ministers received preferential treatment I point out that it went through my mind, as we were being herded around like peasants, that the Minister of Manpower and Immigration has been forgotten in this house and in respect of matters concerning the cabinet ever since the last leadership convention, and he was just as forgotten as the rest of us on this occasion. He was forgotten at Dorval airport, because we were all herded around like sheep and had to sit in chairs all night.

In closing, Mr. Chairman, I say that we have to get moving in regard to transport. I am pleased to see that the Minister without Portfolio is in the chamber. He has been following these matters. If the Minister of Transport cannot handle the matters that fall within his department and feels that housing is his main interest, I hope that changes will be made because we must have a responsible minister in charge of transportation. He must be here every day reporting on various activities with regard to transportation. Mr. Pickersgill, with all his other faults, did this. Every day he was on his feet in the house saying something, and many times not incorrectly, about transportation matters.

The minister will have the chance to reply to these questions. If he is really making the decisions I want to know what the Canadian Transport Commission is doing. The minute the shipping review was announced the other day the commission hired a group of experts in Toronto to review shipping matters. What is wrong with all the research experts in the department? We know that a former member of this house was appointed a research expert in the department at a salary of $24,000 a year. I am in favour of that. I am glad he got the job because he was a good committee chairman when in this house. I do not think he knows very much about transportation in detail but he will learn. This is all right. He has a good appreciation of over-all transportation problems. But why is it that these high-priced research experts in the department are overlooked every time the commission wants something reviewed? Why do they hire experts from outside the department? Surely there are enough experts within this department to review these questions. I would like to clarify the record at this point, Mr. Chairman. The fact that I am in

favour of the appointment of Mr. Macaluso to this position does not mean that I agree with all the appointments made of defeated, former Liberal members.

The main consideration of the transportation committee at this time should be to finish its trip to the maritimes. This point will be developed by other members as they raise various questions. We are trying in this debate to deal with transportation matters in an orderly way. I do not think the minister appreciates what constitutes an orderly development of transportation matters, but we are trying to demonstrate it to him this afternoon.

The other day I wrote the minister a letter. I hope he received it. I received an acknowledgement of my letter. The trip to the maritimes, which was promised in the house in order to study our problems and come up with a solution, has to take place. That promise must be fulfilled. It is indelibly written and has been approved by the committee. This trip was promised to us when we agreed, though we did not vote for the transportation bill last year, thank goodness, to withhold our substantive criticism of the bill because we knew that something would be coming forward.

I believe that the trip has to be completed by March 23, 1969; otherwise the freeze will lapse and new legislation will be required. The briefs which were prepared at great expense by bodies, organizations and communities in the maritimes—I would say the cost must have been in the order of $250,000—are becoming obsolete. We may be faced with a difficult weather problem but the freeze is hovering over us, with a March deadline, and the committee trip must go forward. It may be that the minister is afraid to send the committee on this trip because the members might get stuck in a snowbank again. The minister will also recall that while we were stuck in a snowbank the government was defeated, but surely there is no worry in that regard now.

My main theme is that the department must get to work on these matters. The minister must be in the house even though the Prime Minister may not want him here. He must come into the house frequently and stand up for the department. In addition, the maritimes trip must go ahead.

• (12:40 p.m.)

Mr. Skoberg: Mr. Chairman, my first remarks on the estimates of the Department of Transport will have to do with airstrips. In Canada our airstrips are most important. We must make sure that our major air services have feeder lines from smaller centres. Moose Jaw might be taken as a good example of a community with a small airstrip. We have a private airstrip about 40 miles from the major air base at Regina and there is considerable traffic between our area and the Regina air base. Recent consultations with the airport people and Air Canada officials have confirmed the usefulness of co-operative efforts to provide means for transporting people from our area to Regina. Included in our area, of course, are Assiniboia, Weyburn and other centres in that region. I ask the minister to pay close attention to the provision of feeder lines to major airports. I believe our transport committee has some responsibility for this matter.

I now wish to say a word about Transair. One of the directors of the company is reported to have said, according to a press report:

> —we had to get people who can represent us in Ottawa and elsewhere. We needed people with political know-how to tell us where to go.

He also said that most Canadian companies strive to have well connected politicians or former politicians on their boards of directors. I am sure that the other directors on the board do not appreciate that statement. I suggest there is no place for this type of obvious political patronage in our scheme of things.

Another point I wish to raise has to do with the construction of railway spur lines or branch lines. The people of Canada expend much money in various forms in building spur lines and branch lines to different localities, as was done in the case of Esterhazy. Hon. members will no doubt be aware that the International Mining Company has mined a considerable amount of potash in the area. At present 35 trucks, each holding 20 tons, deliver potash 24 hours a day to the United States town of Northgate. From there the potash is shipped via a United States railroad to Chicago or exported. The question is, why can the railroad not compete with those trucks? There are facilities at Melville for the cleaning of box cars and hopper cars. Our railroad facilities there are now rendered useless by the competition from trucks and many people in the area are losing their jobs.

Why is it that a trucking company finds it economical to transport potash from Esterhazy when the railway does not? Is the question of management involved here? Perhaps the minister can say what is happening. I

know there have been suggestions that the Canadian National cannot compete with the trucks, but I submit that does not add up. It costs a fair amount to operate these trucks to Northgate. Roads must be cleared, repaired and maintained. I cannot see how the competitive position of the railroad has been impaired. Perhaps the minister will look into this matter. It has been suggested that some details cannot be aired in public, but I think the minister ought to investigate the entire situation.

Can the minister please tell us how deeply Canadian National Railways are involved in pipe line experimenting? It is well known that after spur lines have been built to certain areas for the benefit of certain companies in those areas the companies have experimented with pipe lines to determine whether transportation by pipe line is economically feasible. A case in point is the construction of the spur line to the Pan American Petroleum Corporation at Big Stone. The company said that Canadian National would be assured of transporting 75 per cent of the sulphur produced in that area; yet some of that sulphur has been hauled by truck. A further examination disclosed that the company is conducting research into transporting sulphur by pipe line. There is nothing wrong with transporting goods by pipe line. Nevertheless I think we ought to examine what has happened in this instance. Why should the Canadian National be asked to build a spur line and then have to compete with a pipe line? Since public moneys have been expended I think the minister ought to look into the entire matter.

I now wish to say a word about the operation of the Great Slave Lake railway. I hope the minister is not condoning what is happening there at this time since it appears that Canadian National is conducting an experiment with that railway line. It seems to me that the railway is trying to operate trains with unqualified people merely to show that it can be done. I am informed that last July there was a major accident on the line with damage amounting to thousands of dollars. I wonder who cleaned up the wreckage and who paid for the damage? It is also apparent that to date no operating order has been issued for this line. Since the railway has hauled revenue generating traffic for three years, does the minister not think it fair that there should be an operating order issued? Failure to do so in my opinion constitutes sharp practice on the part of Canadian National in this area.

[Mr. Skoberg.]

I am also given to understand that a contractor is still in control of the operation of some portion of this railroad. Does the government hand this contractor money to be paid to the employees working on the railroad? If so, I think it is high time for the contractor to take his hand out of the kitty. It is time that this railroad was operated as it ought to be. We have enough qualified personnel in Canada to operate the railroad. It should not be left to an independent contractor to operate. I wish to know whether any commitments regarding the control or operation of the railroad have been made. If so, how deeply is Canadian National Railways committed in this regard?

Although many questions on this matter could be placed on the order paper I wish to ask one question in particular having to do with the operation of the Great Slave Lake railway. I wish to know what employees are now employed by the railroad both in construction work and in operating trains hauling revenue generating loads. Also, is there any effective code of uniform operating rules? If not, why not? The suggestion was made that the Board of Transport Commissioners is responsible for safety on that line. I question this statement. I believe these employees should come directly under the act as it stands today in the same way as all other employees involved in the operations of both Canadian Pacific and Canadian National.

• (12:50 p.m.)

I should like to know also exactly how far we can go in our expectations that Canadian National will assume complete responsibility at an early date. If this question were answered sincerely I believe it might also answer some of the other questions because the whole picture would fall into focus. I am wondering just how much supervision of the operation of this road is being conducted by Canadian National and also what supervision is being conducted of the contractor who is being employed in the furtherance of the construction of this line? I understand that an upgrading of the line is being carried out. I think something is lacking somewhere and it is time we knew how far the transport committee and the minister are going to go in assuming responsibility.

Another point I should like to mention relates to the unsatisfactory settlement made with some contractors employed in the construction of a portion of the Great Slave Lake railway. I am sure the minister is well aware of this problem. I will not go into all the

details at this time, but I suggest that many contractors have tried unsuccessfully to have a settlement made of their outstanding claims against the Canadian National or the major contractor who was in charge of the construction of this line. We feel it is important that these contractors be given an answer forthwith. I am quite sure the construction of this line was embarked upon in the interests of this area. I am quite sure also that the many contractors involved are entitled to an answer to their inquiries as to why they have not been paid. Why has there not been a satisfactory arrangement made for the disposition of their outstanding claims? I am sure the minister could give me an answer that would help in this regard.

I was pleased to hear the minister refer to the amount of money expended from the grade crossing fund. I am sure he appreciates the fact that we can spend many thousands of dollars in the elimination of hazardous conditions at railway crossings. I am sure he appreciates also that some of these types of protection do not go far enough. I am pleased to learn that the National Research Council has done a considerable amount of work in this regard. I am pleased to learn too that other means of protection are being offered. I feel it is time the transport committee looked at alternative methods of protection against the hazards to highway traffic which exist at railway crossings. Many other methods of protection have to be examined, as a result of increasing highway traffic, in addition to the ordinary bells, gates, lights and so on. Many hazardous conditions exist today which result from the types of commodities being carried now by trucks. Therefore we can no longer allow this situation to continue. I am pleased to note that definite improvements are being considered.

There is one other point upon which I should like the minister to comment briefly when he answers. Just what control do we have over the passenger operations of the Canadian Pacific? I understand that a deliberate attempt has been made to downgrade the Canadian by reducing the number of cars on that train to as low as ten. Every member of this house appreciates how difficult it is to obtain space on that train. It is difficult to obtain space on Canadian National trains, but I must commend the Canadian National for its progressive attitude toward passenger traffic. I should like to know whether the Canadian Pacific would have to go before the transport commission before it could downgrade the Canadian further by removing the sleeping car facilities. The rumours are that the Canadian Pacific intends to put on a dayliner from Winnipeg to Calgary. If this is so, I should like to know in order that these communities can be notified. I am sure everyone here realizes that this is something that should not and absolutely cannot be allowed.

I should like now to deal with the research program. Many questions have been asked about this program and the new director of the research division of the Canadian Transport Commission. Just what qualifications did that individual have when he applied for the job? I understand that when the requirements for this position were published they were quite restrictive. Did the director actually meet every one of those requirements?

I should like to know also what are the terms of reference of this research division. If this would involve a lengthy answer, perhaps the minister could give it in writing later. It seems to me that we go along consistently adding more research departments but we do not know what type of research they are doing. I am sure that if members were more fully aware of the research that was being conducted they could appreciate the various phases of research.

I should like to refer again to the National Research Council which I feel is doing an excellent job. The council issues an excellent report which enables us to appreciate the work being done. I am not too sure that we fully appreciate the research program that is being undertaken. If it means, in effect, that we are hiring a large group of people just for the purpose of eliminating positions farther down the line, then we might have to consider that fact. I realize that management has to do this sort of thing, but I would question just what the terms of reference of this research branch are and whether it should be given encouragement at this time.

The Chairman: Order. It being one o'clock I do now leave the chair until 2.30 p.m.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Skoberg: Mr. Chairman, another point I wish to bring up concerns the existing situation at Roberts Bank. The transportation committee has discussed this situation but it appears that many factors are shrouded in secre-

cy and the committee was unable to obtain clearcut answers to some of its questions. It is absolutely imperative that the minister and the government let the people know what is happening in this regard.

In this connection, I should like to pose one or two questions that might help to clear up the situation. First of all, who is going to control the rail line between Crows Nest and Roberts Bank? Who will set the freight rates over this stretch of line? Who is going to set the charges for transporting coal over the new rail line to Roberts Bank? By how much will these charges add to the cost of a ton of coal?

Another facet of the Roberts Bank situation concerns a matter that has been raised in the house, namely, the question of jurisdiction over the facilities in the area. The hon. member for Vancouver-Kingsway has tried unsuccessfully to find out what action the government intends to take with regard to the problem of constitutional jurisdiction. The hon. member for Kootenay West has also been attempting to get answers as to the jurisdictional problems that are involved in connection with the rail route to Roberts Bank. It would be appreciated if the minister would clear up any misunderstanding that may exist and put the record straight on this question.

I believe it is most important to the people most concerned that they be consulted about the location of the rail route in that area. I am referring to the lower mainland regional planning board. The courtesy should at least have been extended to them of prior consultation as to the location of the rail line, and the railroads concerned should have seen fit to contact the board about this matter. There have been too many innuendoes and arguments made about whether jurisdiction in this area lies with the provincial or the federal government. I am sure the minister recognizes that it is absolutely imperative for the National Harbours Board to have control and administration of ports. There would be a real hodge-podge if we were to allow a province to control one port and the federal government to control another. There would be a continual breakdown of relations.

There is another aspect I should like to refer to. In my opinion it is quite impossible for the present minister to handle the two portfolios of housing and transportation. I cannot see any relation between building a home and providing facilities therefor and constructing railroads to transport people. I hope that the Prime Minister will see fit to divide the functions of the minister because it is apparent to me that his present burdensome task is too much for one man to handle effectively.

I concur completely with some of the statements made by the previous hon. member in regard to the Canadian Transport Commission. I understand that the president of the C.T.C. is being referred to as the czar of transportation in Canada. I would hate to see "czar" change into "scar". It appears to me that too much authority is invested in one department for this state of affairs to continue any longer. The minister must be given time to take a really close look at the whole transportation field.

Another point I want to raise concerns the port of Churchill. I am sure the minister will give us some insight as to any future plans for this port to increase the volume of imports and exports. In my opinion it is fairly well substantiated that savings can be effected by using this port. For example, the shipping season could be extended beyond the present limit. We are aware of the fact that the marine insurance season is now the deciding factor, but I believe that in light of the facts the federal government should lead the way in suggesting that the marine insurance season be extended so that additional time could be made available to export wheat. With additional exports of potash, oil and so on such an extension would be very beneficial.

The first Canadian urban transportation conference is going to be held in Toronto from February 9 to 12. I would like to congratulate the minister on what he has done to assist this conference. I would also congratulate the federation of mayors and municipalities for arranging the conference. I ask the minister to consider seriously sending a goodly delegation from the present transportation committee to the conference in order that the delegation may learn at first hand what is happening in this field today. They have published a pamphlet headed "Opportunity Or Chaos", which I am sure the minister realizes is actually the position in which the entire field of transportation finds itself today. I ask the minister to make sure that as many members as possible attend the conference so that they can take an intelligent look at the picture in all its aspects.

• (2:40 p.m.)

I have one other point in conclusion, Mr. Chairman, concerning the statement made by the Minister of Labour last night on the

implementation of the Freedman commission report. If we expect peaceful labour relations in this country the requirement that no material change should be made in the working conditions of employees during the life of a contract must be insisted upon. The minister is aware of the situation which has existed in relation to the C.N.R. It is one which is continuing and until some effect is given to the recommendations of the Freedman report there will be continual disputes arising from material changes made during the life of contracts. I ask the minister to lend his support to the proposal made by the Freedman commission and to do his best to convince his cabinet colleagues of its importance.

[*Translation*]

Mr. Caouette: Mr. Chairman, the consideration of the estimates of a department enables us to make suggestions to the minister or to state the complaints which we receive.

It is agreed that as far as transportation is concerned, we have a system connecting east to west by trains, planes, trucks, so that it is possible to cross Canada which is the largest or the second largest country in the world. This was made possible by measures taken not only this year or last year, but since confederation. People before us took decisions so that today we have a transportation system, a Department of Transport which plays a quite important role in the conduct of our national affairs and in the administration of the country.

I think that the Minister of Transport (Mr. Hellyer) performs his task in a serious manner and as a true Canadian and that he has at heart the general welfare of the people served by these means of cummunication and transportation from one end of our country to the other.

This leads me to make some suggestions and to submit the complaints of some of our organizations with regard to railway services, for instance.

In my area—we also receive complaints from other areas—we have been asking for a number of years, improvements of the passenger train service between Noranda and Senneterre, between Cochrane and Senneterre and between Senneterre, Quebec and Montreal.

At the present time, we are faced with a problem which I think has not yet been solved, that of the Ontario Northland Railway Company which, not so long ago, informed the transport commission of its intention to discontinue service with trains Nos. 83 and 84 between Swastika and Noranda. However, when the administrators of the Ontario Northland Railway presented their opinion to the commission, they did not mention, for instance, the contents of this letter dated October 25, and I quote:

[*English*]

Although it was not included in the notice, a bus service will be provided as a substitute for trains 83 and 84 if these trains are discontinued. The bus service would be scheduled to provide a close connection at Swastika with Toronto-Cochrane trains 87 and 88.

[*Translation*]

So, the Swastika-Noranda line would disappear. Representations were received from the cities and towns of Rouyn-Noranda, and from companies whose employees often travel on the Ontario Northland Railway. For instance, the city of Rouyn has sent me resolution No. 15,680 stating that it is categorically opposed to trains Nos. 83 and 84 being discontinued. The city of Noranda also sent me a copy of a resolution passed on October 7, asking that trains Nos. 83 and 84 be kept in service.

The Little Longlac Gold Mines Limited also wrote to the secretary of the railway transport committee, 400 Laurier Avenue West, Ottawa, to express the following views:

[*English*]

Our mining operations in the Rouyn-Noranda and Arntfield areas include Wasamac Mines Limited with over 300 employees and in addition employees in our other mines, East Malarctic Mines Limited, Barnat Mines Ltd., Malarctic Gold Fields (Quebec) Limited and Anglo American Molybdenite Mines Limited, etc., use the passenger services provided by the Nipissing Central and Ontario Northland railways regularly. Therefore, we feel justified in opposing the application to cancel the railway passenger services. Elimination of the service will greatly inconvenience our employees and their families as well as our technical and executive staff at head office in Toronto who use the travelling accommodation regularly.

[*Translation*]

Mr. Chairman, those who normally travel on trains Nos. 83 and 84 are opposed to the discontinuation of this service.

Other railway lines in Canada may not be economic, like, for example, that of trains Nos. 83 and 84; this is not the most profitable among the operations of the Ontario Northland Railway. However freight is provided between Noranda, Swastika and Toronto, so that profits are made. The same applies to the Canadian National for the service between

Noranda and Montreal where great profits are made thanks to freight. However, the passenger service is not considered very important.

We requested an improvement of the rail service between Noranda and Montreal; we demand it also from the Ontario Northland Railway.

Mr. Chairman, if you had the chance to see what kind of trains Nos. 83 and the 84 are, you would understand why people are not very interested in taking them, although there are some who do regularly. The same thing goes for the Canadian National trains that run from Noranda to Montreal. Once you see what kind of trains are used for passengers, you are not interested in taking them. That is why we are asking that better trains be used to transport people to the larger centres, whether it be Toronto or Montreal, and that the quality of the trains be improved to serve the people of our area.

It seems to me it is bad enough that we should be located 425 miles from Montreal and Toronto, almost isolated in northwestern Quebec, without being forced to travel in the type of trains now being used.

• (2:50 p.m.)

I believe the people up north, in our area, are as important as human beings as the people in Montreal, Toronto, Windsor, Winnipeg, and Vancouver. Let them be treated with more consideration than is now being done by the Canadian National and the Ontario Northland Railway.

I therefore ask the minister and his officials to study the situation before allowing the cancellation of trains Nos. 83 and 84, and see what kind of service should be given to the citizens of Rouyn-Noranda. The problem lies with a small line from Rouyn-Noranda to Swastika. It is just a matter of improving the service; this will attract more customers, because people prefer—I certainly do—travelling by train from Rouyn-Noranda to Swastika instead of by bus.

Now, in another field, something that concerns the Canadian National services in the Atlantic provinces. This morning, I put a question to the minister with regard to the possible dismissal of about 20 policemen. Here is the information I have been given by the Canadian National Railways Police Association, Moncton, Local No. 9, 96 Drummond St., Moncton, New Brunswick. This letter dated October 30, was sent to the members of the union of that police association and signed by Mr. Webster, the secretary-treasurer.

[*English*]

Dear Sir & Brother:

This is to advise you that the Moncton local executive of the C.N.R. Police Association have been advised by Inspector F. B. Trainer that there will be a lay-off of constables in the Atlantic region.

He stated that there would be 20 constables, more or less, laid off in this department in the near future. No mention was made as to where or what location these men would be laid off. It was stated that Moncton would be hard hit.

This is an urgent matter, and any action which may be taken to alleviate this situation would be greatly appreciated.

[*Translation*]

The following is a letter I received from Mr. Raymond Pelletier, who is a constable for the Canadian National in Campbellton, New Brunswick.

—Mr. Caouette, this letter is intended to ask for your most urgent support. I am including copy of a letter I received from my union about a decision to be taken in the very near future by the Canadian National concerning the dismissal of twenty or more of my fellow constables in the Atlantic region itself. I feel this is a stupid decision by the authorities, in view of the increasing number of crimes, as dismissing constables is the last thing that should be done. This decision will not affect me as I have a sufficient number of years of service. However, I feel sorry for the younger people being out of work, as our region is especially affected by its low standard of living as compared with the rest of Canada.

Would it be possible for you to make representations to the company in order to have that order rescinded. I can assure you that any representation on your part will be greatly appreciated. I would appreciate it if you would inform me of your action and I will inform my association accordingly.

Today, I informed the minister of these numerous dismissals of Canadian National constables in the Atlantic region.

The minister informs me that an investigation will be carried out and that, eventually, we will be advised of the results of our representations, due no doubt to the strong representations now being made by the Moncton association of the C.N.R. constables. Mr. Chairman, I have no further comments about the Canadian National except that its service should be improved at all costs.

I would now like to comment on Air Canada which is also under the jurisdiction of the Minister of Transport. At the time the bill on the Canadian National was presented to the house, I was saying that Air Canada had improved its services to a great extent and that the department had in many respects contributed to solve some problems. For

example, this was done with regard to the Val-d'Or airport, which is a fine airport serving the area. I asked the hon. minister when the official opening of the airport would be announced; he did not know. However, the airport is being used today, and it is pretty enough to be opened officially. I would even invite the minister to take part in the opening ceremonies, for it is worthwhile.

Mr. Chairman, I also called the attention of the right hon Prime Minister to the matter of the passes used on Air Canada planes.

I wrote to Air Canada last August to inquire whether passes could be given to the leaders of the federal parties. There are four of us. I did not make the request for all members of parliament but for the four leaders. All the members can visit their riding every week, as everyone knows. However, they are limited to their own region or to their own ridings.

In the case of the four party leaders, the hon. minister is aware that they receive invitations from St. John's Newfoundland to Vancouver or Victoria. The ordinary members do not receive such invitations. Therefore, in asking for this pass, I would remind the hon. minister that the right hon. Prime Minister has the use of a special plane, to which he is fully entitled.

The Leader of the Official Opposition (Mr. Stanfield) holds a pass which allows him to travel throughout Canada. On the other hand, two party leaders, the house leader of the New Democratic party (Mr. Lewis) and the house leader of the Ralliement Créditiste, that is myself, have no such passes. Nevertheless, we get invitations and we are recognized by the house as leaders of national parties. Even if we are recognized as such and enjoy the leaders' privileges, our requests are turned down or remain unanswered while those passes would help us fulfil our obligations. I believe that both of us are entitled to advance our own ideas just as much as the Leader of the Official Opposition. Just like him, we have a duty to accept invitations.

As for the right honourable Prime Minister, I understand that on account of his function, the matter ought not to be discussed in his case But as far as the leaders of the opposition parties are concerned, I think, Mr Chairman, that it would be in order for Air Canada, the Department of Transport or the board of internal economy of the house to authorize the delivery of such a pass.

When I wrote Air Canada last August 8, Mr. MacMillan wrote me in answer on September 30—I remind you that I wrote him on August 8—simply as follows:

> Having been away from the office quite a bit, I have been unable to reply earlier to your letter of August 8, delivery of which was undoubtedly delayed by the postal strike.
>
> Nevertheless, upon receipt of your letter, my office got in touch with Mr. Fraser, clerk of the house, and asked him to explain to you what transport privileges are granted to members of parliament.
>
> As you know, these are provisions of the legislation concerning travel by members of parliament.

It has nothing to do with the matter I raised.

> Yours sincerely—

—Amen.

The letter was addressed to Mr. Fraser, Clerk of the House of Commons. As regards Mr. Fraser, he wrote me a letter on September 6 to tell me this, and I quote:

> I do not suppose you know that, even though, according to the Senate and House of Commons Act, we cannot grant air travel certificates when parliament is dissolved—

It has nothing to do with what I asked.

And further:

> —the internal economy commissioners have decided recently to authorize—

So they want authorization to be given by the internal economy commissioners.

> —to authorize the issuance of three return tickets, economy class, for members wishing to travel from their riding to Ottawa, between August 1 and September 12.

This correspondence was exchanged during the dissolution. The letter goes on as follows:

> The cost of these return tickets will be paid by the government rather than by the House of Commons, and members will only have to keep their ticket to be refunded.

That is a matter of administration, which is no concern of mine and in which I am not interested at all. The only thing I am interested in, Mr. Chairman, is that the hon. member for York South and the leader of the Ralliement Créditiste are issued an Air Canada pass.

• (3:00 p.m.)

If one has to go through the internal economy commissioners, I do not mind, but passes should be issued. This is what interests me.

We should be in a position to accept invitations without any out-of-pocket travelling expenses in Canada.

Some hon. members have stated that the means of transportation are not the same as they were forty years ago and that is true. If the government decides at a given time to issue passes on Air Canada planes, as is done on C.N.R. and C.P.R. trains, I would not object. We are no longer living in a horse and buggy era, we are in 1968, using modern means of transportation in our travels. Indeed, hon. members have representations to make or must travel in the interests of Canada and their constituents. I do not object if all hon. members had one; but at least the leaders of the recognized parties in the house should have their pass just like the Leader of the Opposition. The Prime Minister does not need any, since he has his own plane. Now, that would settle a situation which I find abnormal in the circumstances.

I will now deal with the repairs to Air Canada planes about which the members of western Canada and especially the Winnipeg area have made so much fuss and raised so much objection.

I shall give an example taken from another department, the Post Office Department. My colleague, the hon. member for Champlain (Mr. Matte) received recently a letter from Mr. André Houle, special assistant to the Postmaster General, informing him that the post office of Saint-Joseph-de-Mékinac would be closed, thus saving $1,500. The revenues of that post office for the fiscal year 1967-68 amounted to $621, while the operation costs amounted to $1,825. So, to save $1,200, the government closes a post office, depriving 85 users of that service. These people will go elsewhere to buy their postal stamps in order to save some money for the government.

As far as the Air Canada overhaul base at Winnipeg is concerned, it has been clearly established that the government would save millions of dollars in having its repairs made at Montreal rather than in Winnipeg. If such is the case, there is no reason to prevent the transfer of the Winnipeg overhaul base to Montreal. Let us take other means, from the social viewpoint, to prevent the disintegration of certain districts of Winnipeg. We do not object to that.

If the report had established that it would be cheaper to repair the planes in Winnipeg than in Montreal, the question would have been settled a long time ago. But the question is to take something from Winnipeg and to bring it to Montreal. This stirs up a storm. There is even an implication of separatism. The transfer of the Winnipeg base to Montreal would depend on separatists. This is not the question at all. We consider the matter strictly from the viewpoint of economics, of costs, because everyone, especially the hon. ministers, complain that they have no money. If we have no money, it is about time to start cutting down in government expenditures, and it could be done in this area, since it has been established that the government would save millions of dollars by having the planes repaired in Montreal instead of Winnipeg.

Nothing prevents the government from inviting private airplane manufacturing companies to run an overhaul centre in Winnipeg, since there will certainly be an Air Canada base. In fact, Winnipeg is an important city where the majority of Air Canada employees will remain. Let us stop whining in this house and saying that Winnipeg is going to lose that.

We, in Montreal, have lost lots of things and the Maritimes too for example. The Maritimes would be better justified than Winnipeg to complain about the economic situation in Canada, in view of the closing down of the coal mines and the high cost of living. Mr. Chairman, even the Stanfield underwear firm in Nova Scotia has increased its prices by 49 cents per unit. That is inflation in the Maritime provinces.

The government, then, must reduce expenses as much as possible and if it is advisable to leave Winnipeg and go to Montreal, let it be go. The minister did not make the survey. It was done by commissioners, competent people, who established clearly that it would be less costly for Air Canada to operate an overhand base in Montreal rather than in Winnipeg. Something else can be done in Winnipeg, as was the case in other provinces.

Companies in Regina and Edmonton, have closed down, for some reason or other, and moved their business to another city. Why? To save money. Now, the Canadian government must set an example in that field without however neglecting to find solutions to the problems created by moving the people from Winnipeg to Montreal. All this means that we are not eager to create economic chaos in Winnipeg, but on the other hand, we do not want to spend merely for the fun of saying that we are spending in Winnipeg instead of in Montreal.

We of the Ralliement Créditiste take a strong position in favour of displacing the Air Canada overhaul base to Montreal, because this is the recommendation of the commission which made a study on overhaul costs of Air Canada.

Now, Mr. Chairman, before we finish with the Winnipeg overhaul base question, I pointed out this morning that the Montreal area members have not risen very often to deal with that question. I heard the member for Trois-Rivières speak about it, but hardly any from Montreal. I even spoke to the member for Saint-Boniface (Mr. Guay), a very good friend of mine, who is in favour of Winnipeg, even if repairs are to be twice as expensive as in Montreal.

I know that he has to look after number one and, if I were in his place, I would probably do the same. Therefore, we should get together to examine the matter for the general good of Canada. In fact, not only one area is concerned but the whole country. We spend not only the money of the citizens of Winnipeg or Montreal but that of all Canadians. We should therefore co-operate to spend it to better advantage and the hon. member for Saint-Boniface will admit that Montreal must be given the preference over Winnipeg for the maintenance of Air Canada's aircraft.

Mr. Chairman, I would like to talk about Montreal's famous international airport which will be built eventually and which will probably always be called the Montreal International Airport. About two weeks ago, I had the opportunity of meeting the mayor and chief engineer of Drummondville as well as members of the Chamber of Commerce of the area, who made a comprehensive study on the building of such an international airport. Supported by statistics, the brief submitted by those people to the Minister of Transport and to the Transport Commission was very comprehensive. They showed quite clearly that there is in the Drummondville area a site quite suitable to the needs of a new international airport.

• (3:10 p.m.)

That would greatly contribute to the development of the whole eastern townships area as well as the whole province of Quebec. The area is very close, for instance, to the Saint-Maurice, Quebec, Sherbrooke and Montreal areas. It was shown that, in a matter of about 15 or 20 minutes, either by an organized train or another suitable means of transportation, it would be possible to go from the centre of Montreal to the Drummondville airport. Nowadays, whenever we have to board a plane in Dorval, it takes about two hours to go from the centre of the city to Dorval during rush hours. It is not so much distance that counts but the communications means which are unadapted and inadequate.

I should like, first of all, to congratulate the Drummondville authorities for having prepared and presented their brief the way they did. Those people are working seriously on that project and are taking at heart the interest of all that Quebec area without any prejudice to the people as a whole, while taking into account the services an airport should provide. I believe the minister has already received that brief, as well as the commission. It should now be considered thoroughly, and without any parochial considerations. The best proposal must be adopted so as to make sure that the selected site is not changed five or ten years from now.

Mr. Chairman, if Drummondville is a suitable site for an international airport, if the means of communication, the modes of transport from Montreal to that airport are appropriate and adequate, I believe we should recognize the fact and make a choice.

Besides, it is impossible to extend the landing strips in Montreal. They are surrounded by houses and the new jets will be unable to land at Dorval for that airport is no longer adequate. This does not mean that Dorval can no longer be used. It can be used for other purposes, but not as an international airport for it is too small. If the land required to extend the runways had to be expropriated, it would cost a fortune and it would be worse still than moving the Air Canada overhaul base from Winnipeg to Montreal. The economic aspect of the matter must therefore be looked at and the most economical solution found to the problem.

I believe the hon Minister of Transport—as I said in my opening remarks—manages his department in a responsible way. To date, I feel he has not shown too much partisanship in the administration of his department; every time I have needed his help, he has been most obliging with me. When I write to him, he sends me a reply. I say this without partisanship. This is not a matter of being Créditiste or Liberal, but a matter of improving our means of transportation to give the best possible services to the Canadian people.

[*English*]

Mr. Gillespie: Mr. Chairman, in rising to take part in this debate on transportation I am

acutely conscious of the importance of the role that transportation has played in the development of our nation and its cities, their quality of our life and prosperity. I am also acutely conscious of the role it will play in the future in determining the kind of society we will have. I refer to the sort of thing we hear and read about today in respect of urban renewal, rapid transit, superhighways, automobiles, pollution, and the advent of the jumbo jet which will increase in a very short time the outpouring of people from approximately 200 now in a stretched jet to 450 up to 700 in the space of five years.

I also have reference to the advent of the supersonic jet, which is not that far away, and the fact that we may be able to fly from here to Europe or Asia in a little more than two hours, though it may take some time longer to get to and from the airports. I am aware also of the possibility that ground effect vehicles will be used for moving people at fast speeds. All of this new technology raises the question, what will the effect be on people?

I should like to talk this afternoon about the proposed expansion of the international airport at Malton which was announced in August by the Minister of Transport. He stated this was to be a two-phase operation and that the first phase would carry us to approximately 1973 and would involve the expansion of passenger handling facilities on the ground and perhaps some modification of runways, but there would be no major changes as far as land use or runways were concerned. He was careful to point out at the time of his announcement that this was no more than a proposed expansion and that the closely associated communities would be invited to discuss compatible land use with the federal government.

At the same time the minister also pointed out that it was important to work out arrangements with the provinces in respect of handling of traffic and access. He reaffirmed this in the house last week and I think again this week. The implicit undertaking is, of course, that unless satisfactory arrangements can be worked out the proposals will not go forward in the form first suggested.

I was very happy, as I know all members from the Toronto region and indeed of this house were, to hear the emphasis the minister placed on the importance of the quality of life in reaching a decision on whether or not the proposed expansion would go forward in the form first presented. The question I think we have to concern ourselves with is, what does the proposed expansion of Malton airport mean to the quality of life of those who live in Etobicoke, Mississagua and north?

The essential statistics at the present time indicate that at Malton slightly more than four million passengers a year are moved, that it is expected passenger traffic will build to a little more than double that by 1973, and that in the order of about nineteen million will be moved by 1985. The statistics also indicate that if this expansion goes forward the airport will handle close to 19 million people per year. There will also be a more than corresponding increase in freight handling.

We must concern ourselves with the type of aircraft that will be involved in this type of utilization as a result of the change from the jet as we know it today to the jumbo jet and to the supersonic jet with engines of greater power and, one can only assume at this stage, engines which will make more noise. Noise is the essential factor as far as the quality of life is concerned for those most directly associated with these airports.

Let me refer to the measurement most frequently used, being 100 decibels. This is considered to be above the level at which people can live with any degree of comfort; yet thousands are now being exposed to a level of this magnitude on a daily basis. With the proposed expansion to its ultimate form the figures I have—they are no more than estimates at the present time but reliable ones—indicate that about 160,000 people would be exposed to this noise level on a regular basis.

In assessing these problems in regard to Malton airport and what sort of expansion, if any, should take place, one has to recognize that at the start Malton represents a major investment estimated at $70 million with probably a replacement value very much greater than that. This is an investment which all the people of Canada have made. It is an investment by the community at large. One has to recognize the economic arguments in favour of employment, the creation of new service industries and growth. One must also recognize the needs of the traveller, whether for business purposes or for pleasure. One must recognize the claims of the pilots in respect of safety for those who would land these planes at this airport. One has also to recognize the carriers, those who are providing the aircraft.

• (3:20 p.m.)

But more than any other single factor one has to recognize the people who live close to the airport. One has to recognize their health, happiness and privacy; one has to recognize their property values; one has to recognize that when they purchased their houses they had no conception of the sort of expansion that would take place. I think one also has to recognize the special claims of the municipality. Here there is a double effect.

In the first instance there is the effect on assessment. If this expansion should go forward the municipality might well have to reduce the assessment on a substantial part of the residential area just because the land use had been made less congenial, just because it had been downgraded in value. This means, of course, less revenue at a time when all municipalities are looking for opportunities to find more.

I think one also has to recognize the additional costs involved. This is the second side of the double effect to which I referred and with which the municipality is faced. I refer in particular to the question of soundproofing schools. In Etobicoke alone, for instance, more than $600,000 has been spent on soundproofing schools. This will be no more than a rather small drop in a pretty large bucket if the expansion goes forward in the form proposed. I think one has to recognize that a capital expenditure of this kind has to be considered in terms of the whole community and planning a whole host of community services. In Etobicoke, for instance, a hospital is planned and the construction is to commence early next year. A community college is already under way. Under one set of plans the approaches to runways would be directly overhead. This problem could probably be solved by soundproofing, but at enormous cost.

But I ask, Mr. Chairman, what about some of the other effects on people? No one really knows what these effects will be. Basic research with respect to noise and its effect on people has not been carried out, as far as I know, anywhere in the world. We are able, of course, to use the decibel rating and we know that a decibel rating of 100 is reaching an intolerable noise level. Certainly it is too high for animals.

Perhaps the best way of dramatizing the problem of noise is to contemplate a warm, summer evening in a residential area, the sort of evening one might like to spend outside the house. If aircraft with highly-powered engines are arriving approximately every 30 seconds, the noise fractures the tranquility of this setting. This is no romantic notion, Mr. Chairman; it is a fact, and the noise level will become worse. More than that, the people in the area are not able to open their windows at night because of the noise.

We do not yet know what the effects of pollution will be. We know that they may be serious but we do not know to what extent. At the present level there is every indication that they are not serious. There is not the slightest evidence in fact, to indicate that the present level of activity at Malton constitute any danger at all. But here we are considering a major expansion which will change the rules completely. There are those who say that the Malton expansion must go forward. These people justify it on the basis that the airport was there first and those who bought homes in the area should have known what to expect. I ask, Mr. Chairman, how could they know what to expect when even the experts did not know? I am referring to the experts in the Department of Transport and those who have advised the municipalities in the area. I am also referring to those involved in operating aircraft. The pace of technological change so far as air transport is concerned has moved so rapidly that it has overtaken all the planners.

For these reasons I think we have to realize that the home owner in the area has first priority. I believe there are also other important reasons that we must consider. We must consider the argument that it is more economical to have one large airport than two. I say maybe, but this has not yet been proven. I think the estimates of land assembly costs for one large airport are well underestimated. I think one has to give full consideration to the whole question of waste, in the sense that if we build one large airport we will in my view have to start in 15 years to tear part of it down because we will have to have a second airport in any event. Toronto international airport will reach the saturation point in 1985. This means only one thing, that we must have a second airport. If this is true, let us start now acquiring the land for a second airport. Let us start planning and let us prevent the ultimate waste that a decision to build one large airport would involve.

I think we also have to look into the question of the social effects, again from the economic point of view and the point of view of the people concerned. If one looks at the cost

savings of one large airport versus two, one can say there are certain savings so far as the airline companies are concerned in the sense that they do not have to duplicate facilities right away. But there are other factors involved. There is the cost of soundproofing which I have mentioned. There is the cost of land and the congestion that will be caused. There is the factor of human cost which we cannot quantify. I refer to the costs that affect people.

I would like to read two short extracts from letters I have received, and may I say I have received several hundred letters on this subject. This letter was written by a family living close to the airport and one of the runways. It reads in part as follows:

> This past summer, the noise from aircraft coming in to land was deafening. Not to mention the pollution from exhaust and the vibration from the motors causing damage to the structure of our houses. That was last summer. Project this into 1980 and the condition will be intolerable—a health hazard with delayed and far-reaching results . . . All surveys and technical reports on aircraft expansion at other cities in the U.S. favour decentralizing facilities rather than expanding existing outlets.

• (3:30 p.m.)

I have one other letter, Mr. Chairman. It reads as follows:

> Dear Sir,
>
> Do not destroy our home, please. We are against the plan to expand the airport. These new planes . . . won't give us a day of peace.

That is typical of the kinds of letters which are arriving and which have to do with the proposed expansion. In the light of these representations and in the light of the arguments I have advanced, I strongly urge that the one big airport concept is wrong and should be abandoned in favour of a two airport plan; and further that we should proceed with a modified intermediate stage.

I do not argue that Malton airport should be closed down but I do argue that we ought to limit its expansion and start immediately to plan a second airport which would be built in conjunction with and in harmony with Malton international airport.

Mr. McCleave: Mr. Chairman, I had intended dealing later in my speech with a matter the previously speaker has just raised. Since he made such a thoughtful presentation I think it would be better, in the interests of orderly debate, if at the outset I dealt with the matter of airports. Here I speak as a maritime member and not as a caucus spokesman on transport. Since the hon. member for Oxford is not here I am trying to say what he would have said.

[Mr. Gillespie.]

On page 552 of *Hansard* for the current session the Acting Minister of Transport answered eight questions that had been placed before the department dealing with supersonic transports and how Canada was preparing itself for the supersonic age. It is a matter of wry regret to me that the only people who became terribly excited about he answers were magazines that dealt with the problems of preserving bird life in Canada, and not newspapermen who supposedly deal with human problems. Be that as it may, and my sympathies are with the birds, it ought to be noted that on page 552 of *Hansard* the acting minister noted that in the Department of Transport a sonic boom subcommittee of the supersonic transport study group is engaged in continuing studies related to the over-all assessment of these noise problems. It was pointed out, however, that locating supersonic transport airports in remote areas would certainly be given consideration if results of the research studies suggested this course of action. The minister said that, hopefully, technological advances will preclude this necessity.

It was also pointed out that considerable research is being conducted in the United States and the United Kingdom on the physiological effects of noise and sonic boom overpressures on human and animal life, and that the local Canadian group has been closely monitoring this research in other countries.

One of my questions was as reported on page 552 of *Hansard:*

> If the noise level is considered excessive to humans and domestic and wild life (a) is the Department considering the location of SST airfields where such nuisance would have a minimum effect, or (b) is it considering a legislative ban on flights, because of such circumstances?

The reply to the first part of the question with regard to locating airports in remote areas was that this would certainly be given consideration if results of the research study suggested this course of action. And, hopefully, technological advances will preclude this necessity.

The second part of the reply no doubt will interest the hon. member who has just preceded me, since he was most disturbed about the effects of noise on the residents of the beleaguered areas of Etobicoke and Mississagua. Part of the reply is as follows:

> Under the authority of The Aeronautics Act (part I) a regulation has already been promulgated which states that "No aircraft shall be flown

in such a manner as to create a shock wave, the effect of which is to create or likely to create a hazard to other aircraft or to persons or property on the ground."

I will not go over the ground the hon. member has covered so ably. Instead may I direct hon. members' attention to page 2968 of *Hansard* where the following question appears:

Has the federal government considered implementing expropriation proceedings to acquire additional land to increase the present size of the Toronto International Airport—

The answer as reported is:

There has been no decision as yet on acquisition of additional land for expansion of Toronto international airport.

I think the hon. member might be justified in thinking that the matter now rests in limbo.

In my file concerning the noise pollution problem as it relates to Toronto international airport I came across a map prepared by Bolt Beranek and Newman Dr. A. Borgiel. At least it is on the back of a notice sent by Dr. Borgiel to the Applewood Hills Homeowners Association in October 1968. Since Dr. Borgiel is president of the association it might be pertinent to put some of the notice on the record. It says in part:

The Department of Transport policy is as follows:

(a) "In areas subject to noise levels of 110 PNdBs (perceived noise levels) or more, residential development should not be permitted under any circumstances.

(b) In areas subject to noise levels of less than 110 PNdBs but at or above 100 PNdBs single family residential development should be avoided. All multiple family homes should be sound proof."

If that is the policy of the department, as I gather it is, it ought to have some bearing on the decision of he Ontario Municipal Board regarding subdivision development in the area. I think I am right in saying that such development has been held up. People have to wait and see what is to happen to the international airport. For that reason it is important that the minister should make a decision rapidly and make it known.

People in Etobicoke will not be able to enjoy fresh air; they will hardly dare to stick their noses outside their homes for fear of being assaulted with the hellish din coming from outside. That is pretty grim, and the minister ought to act quickly. People should not face such a prospect. The correspondence on the matter has been graphic enough. Since this matter may affect some 100,000 people who may have to live like moles in their homes, coming outside only to scurry to their automobiles, the minister ought to act immediately to try to correct this danger. If the department decides to expand the airport and if no way is found to curtail the noise of the supersonic transports, it will be hell on earth in that area and in all other areas where such noise is permitted. I suggest that the transport committee should get busy and look into the noise problem. Perhaps that part of the minister's estimates having to do with this matter ought to be referred to that committee so that we may have expert advice and find out exactly where we are going.

• (3:40 p.m.)

This morning, sir, the Minister of Transport made a complete, and I think welcome, break with tradition. He made a frank acknowledgement that the ice breaking activities in the gulf of St. Lawrence and St. Lawrence river were exactly for the purpose that we from the Atlantic area have contended for years, that is the development of commerce. This is the first time this acknowledgement has been made, and I give the minister credit for it. He did not, as his predecessors have done for a decade, try to hide behind the story that the icebreaking activities were for the purpose of flood control only and that the increase in commerce was sort of fortuitous. Now that we have the cards frankly on the table, we are enabled to make points which we were not able to make with success before concerning the effects of this deliberate policy on our own commerce in Atlantic Canada. I will get to that point in a moment.

One cannot engage in a transport debate in Canada without bringing in the name of that happy, sailing warrior, John Whitney Pickersgill, the president of the Canadian Transport Commission. In a speech in Halifax recently or in a press interview, Mr. Pickersgill raised the point of the subsidy being paid in Atlantic Canada. He said perhaps the time had come for a fresh look at this, and that the money paid in subsidy which is admittedly a large amount, could more usefully be spent in other ways. I do not know whether or not this was a trial balloon. In view of the very important decisions that have to be made by the minister and his government, I hope it was not a trial balloon and that perhaps Mr. Pickersgill was thinking out loud rather than flying any sort of advance signals on behalf of this government. However, this statement has worried me sufficiently that I should like to make some argument about it. In the abstract, it is a splendid statement, and perhaps that money could have been used for other purposes to

improve transportation. By the way, the subsidies paid to the maritimes can be found in vote 25 of the estimates we are considering.

Suppose we take this statement one step further. I am not asking the minister if Mr. Pickersgill was enunciating government policy. However, I do ask the minister, if he considers that Pickersgillian opinion, would he consider this: In 1962, parliament voted $1.9 million for ice breaking in the St. Lawrence. In 1966, the amount was approximately $2.83 million. I presume it has risen since, having in mind inflation and the increase in icebreaking activities. Every time you break ice in the St. Lawrence river you add to the commerce going into the great ports along the St. Lawrence river. Now we have not only the acknowledgement of the minister that this has been done to help commerce, since there has been no alibi about flood control given today, but also we have been told there is going to be an increase in icebreaking activities because they were found to be of benefit to traffic on the St. Lawrence river. I am not one of those who wants to poach in one part of Canada to help another part of Canada. I just draw this very plain argument to the attention of the committee; if you do spend millions of dollars on icebreaking you are, in effect, subsidizing navigation to certain ports which are in competition with certain other ports.

If the Pickersgillian opinion ever becomes a fact and we cut out the maritime transportation subsidy of some $12 million a year, then I ask the government if it would apply these icebreaking charges, which must now be up to $4 million or $5 million a year, to the shippers who use these icebreaking facilities. It is a simple fact that if we cut out subsidies altogether, then special services should be paid for by those who take advantage of the services. So let us take the $4 million or $5 million, whatever the minister planned to use for icebreaking to help commerce, and charge it to the ships taking advantage of that service.

Then, let us go a step further. On page 500 of the estimates book, we find an item to cover the deficits of the St. Lawrence Seaway Authority amounting to $2.4 million. If Mr. Pickersgill is the unhappy harbinger of what is to come, then let us take the $2.4 million and apply it to the ships that use the St. Lawrence seaway. Some of these ships use the Welland canal service. On the same page in the estimates book we find an item for $9.855 million to cover the deficit of that operation. If the Pickersgillian formula is considered, then perhaps it would not be inappropriate if we were to apply that amount of money to the ships that use this great canal system.

I want to remind the committee as emphatically as I can that there are many amounts paid by the taxpayers of Canada which operate rather more to the benefit of central Canada than they do to the benefit of Atlantic Canada. I am not asking to cut them out. I am just arguing that we should not get that hell-bent to remove subsidies for Atlantic transportation that we forget to look at the ramifications involved in this procedure. Perhaps I have spent a little more time on this subject than I should, but after all Mr. Pickersgill does occupy a rather impressive position in the public service. I wanted at least to kick the idea around a bit—not him, because I do not believe in a personal approach and I have not attacked him. However, I did want at least to get my foot at his idea and boot it around the House of Commons for a few minutes for the consideration of members.

I should like now to deal with another matter, and perhaps when the minister replies he will deal with it. I refer to the end of the freeze on maritime freight rates, which I believe occurs around March 23. Perhaps the minister would give us some indication of what we can expect in that direction, and also whether he and the department are coming to grips with the l.c.l. problem that has been raised here before.

Now, there is the new matter of port development. The hon. member for Saint John-Lancaster made many interesting points with regard to the National Harbours Board operations. I agree with him that the board has been scrupulously fair in its decisions and has not acted by selecting one port over another. I think Halifax has had a break in the container age, with all respect to my friend from New Brunswick, because we have had a citizens committee which has been working with the port of Halifax commission, and the province of Nova Scotia has established a crown corporation which will help get Halifax into the new transportation age.

Finally, like most members, I am continually flying on the week ends and I should like to make a suggestion to the minister which I hope he will draw to the attention of the new president of Air Canada when that gentleman or lady is appointed next week. I say "lady" because there are a few people still on the fringes of the just society who have not been looked after yet. In any event, I would ask

the minister to make this suggestion to the new president of Air Canada. We have reached the end of the Viscount age, but these planes can probably still be flown economically. Therefore I would ask whether there could be more flights from a city such as Ottawa that bypass the cities of Toronto or Montreal.

• (3:50 p.m.)

For example, Mr. Chairman, there is always a fair crowd of maritimes or Atlanticans on the flight I take to Halifax which leaves Ottawa on Friday afternoon. I do not think that the same traffic is there all week, but it seems to me that a direct flight to Halifax from Ottawa on certain days of the week would be of advantage. This would eliminate time spent in Montreal and the transfer of baggage from one plane to another that Air Canada now has to do.

I think that this is a useful concept. I think it could also be applied to flights from Ottawa to London, Ontario, which bypass Malton airport. Undoubtedly other examples come to the minister's mind. I think this is an approach worth looking at and I would be grateful if the minister would take this up on my behalf.

Mr. Danson: Mr. Chairman, I think this is one of the most worth-while debates we have experienced here recently, dealing with problems of great import. Problems of transportation are a very major factor in our social and economic development. We have agreed not to include in this debate the portion of the minister's portfolio that deals with housing but I suggest in our remarks we cannot be unrelated to urban problems.

I was delighted to hear the hon. member for Etobicoke speak so well and so learnedly about a problem that affects his constituency perhaps more directly than mine at the present time, although in my constituency we are aware of these earth shaking noises that originate 10 to 15 miles away. This is typical of the research that is going on and the study being made by members from the greater Toronto area who are deeply concerned about the problem he raised. The hon. member for Peel South, who I am sure would have enjoyed participating in this debate today, is unfortunately ill, but he has done quite extensive work in this connection. We are trying to avoid parochial considerations in our thinking in relation to Toronto international airport. My colleague for Etobicoke has covered the technical aspects of its development and proposed expansion, I think very creditably indeed.

We from urban areas and the fringes of urban areas do not necessarily think that the big cities of the world are the best cities. We do not even suggest that living in big cities is better than living in small towns or in the country. As a matter of fact, Mr. Chairman, we sometimes have our doubts on that score. However, there certainly is a very great danger being brought home to us as time goes on in the form of proliferation of the great megalopolis and the problems this brings. We see these problems in the United States today, Mr. Chairman, and they are tragic. We have an opportunity to avoid these problems here, and we are very sensitive to them.

In my view, Mr. Chairman, I think we must thoroughly explore the moving of major air traffic away from large population centres. This is not a problem that is peculiar to Montreal, or Toronto, or Winnipeg, or Vancouver, or the other cities across this land. It is a problem that is being faced by every community in every country in the world today. It is a crisis that is upon us. We are forced to react to the problem rather than to plan for or anticipate it, and that is bad. It is a tough problem to anticipate. As my colleagues have said, technology is moving so fast that it is difficult to keep up with it. However, there are certain trends that we can see.

There are several agencies around the world that are dealing with some of the problems, I.A.T.A. being perhaps, the principal one, though I understand the Canadian Transport Commission is doing some excellent work. The commission is hiring some of the most qualified personnel in the world to come to this country to work in the challenging atmosphere of the commission. The Department of Transport itself is also conducting extensive studies. Other institutes are working on approaches to transportation studies, as opposed to urban studies.

In the case of urban studies we have as competent people in Canada as exist anywhere in the world. There are some outstanding people in the world, of course, but country for country and person for person I think that we can hold our heads pretty high and can staff any facility to conduct urban studies. However, there is an extreme shortage of experts in the area of transportation studies.

I suggest, Mr. Chairman, that we in Canada should take the initiative to set up a world

institute of transportation studies. It could be situated somewhere in this country and staffed by people pre-eminent in this field. We could make it a world centre for transportation studies. We could use our own people and also bring in on a permanent basis experts from around the world associated with the institute as members of the faculty. We could also invite visiting experts from all parts of the world. I do not like to keep using the word "experts" because I do not think that anyone can be that expert. Expert implies a perfection; I am referring to the highly qualified specialist. These people can conduct studies on methods of transportation. As my hon. friend from Etobicoke said, Mr. Chairman, this institute could conduct studies which are presently not being done on the effect of noise.

What we require, Mr. Chairman, are long range programs. We have to have—I was going to say crash programs but I should not use that word in terms of air transportation. What we require are studies that focus upon constructing terminals which are situated some distance from urban areas to handle the supersonic and jumbo jets, as I mentioned before.

This would eliminate, Mr. Chairman, the great problem caused by noise. It does not eliminate the noise, but at least it would place it somewhere else than in a densely populated area. It would also eliminate air pollution, if that proves to be a problem; it would help air safety and ease congestion in the air and on the ground around the airport.

If we could use the Toronto international airport as an example, Mr. Chairman, and consider that Toronto is facing the same problem as Montreal, then we could conceivably establish one major facility midway between Toronto and Montreal. This would involve one cost rather than two costs. The economic studies on this matter indicate that the actual cost factors, aside from the social factors, are so very much in favour of a single facility.

The key to this concept, Mr. Chairman, is of course getting people from the major centres of Montreal and Toronto to the central facility which, let us assume, is in the Kingston-Trenton area. There is a lot of advantage to an area such as this in that the lake is to the south, and you have largely unused land, certainly land with a much lighter density of population than in the major centres, to the north. Straight across the lake there are communities like Syracuse and Rochester, and possibly Buffalo. These communities could be serviced perhaps by hovercraft; so that the facility would truly be an international one.

However, Mr. Chairman, as I have pointed out, the key to this is getting people to the airport from major cities. This is where I suggest our basic study be done, and that we establish an institute to study the problem. Once we begin to move these people from urban centres to the facility at speeds well in excess of 100 miles an hour—and I think we have to talk in terms of moving them at 200 miles an hour—then the journey can be done well within the hour. This is the time it takes to get to airports now, and it will take much longer in future unless something is done. Once we solve this problem, we solve the problem of short-range transportation. If we can move people between Montreal and a midway point in an hour, we can move them from Montreal to Toronto in two hours, and I believe a lot of people would be delighted to go to Toronto. The point is that we should be taking 80 or 90 per cent of the inter-city traffic out of the air and putting it on the ground. Let us begin to think in terms of bringing people back to the ground. The same solution handles the two problems. Cities within a radius of 500 miles could all be served by a radically designed method of fast transport. It is not enough to schedule turbo trains four times a day, because planes are taking off constantly.

• (4:00 p.m.)

We are inclined to think of air traffic only in terms of people, but the airlines are quickly becoming large-scale carriers of cargo. The trend shows a rapidly accelerating increase in the amount of cargo handled, and means must be found of getting this traffic in and out of the major communities to which in most cases it is headed. I suggest two forms of transportation should be studied more thoroughly than others. One is the monorail system, the techniques of which have already been worked out. Special containers could be designed for both passengers and freight, in large and small units, for use on this system. Since the power source would be kept going all the time, people and goods could be moved along a monorail as the need arose. High speeds would be possible and great flexibility could be achieved. Right-of-way problems would still remain, but not nearly to the extent created by tracks on the ground. Traffic engineering would be simplified since, of course, roads could be built beneath the monorail.

The form of transport which I really think should be investigated is the pipe line system. As people, we do not like to think of ourselves being propelled through a pipe line. Most of us are familiar with the apparatus used in some stores by means of which money and messages are sped through tubes by use of a vacuum. This principle can be applied on a much larger scale to carry cargo and human beings. Right-of-way problems would be greatly reduced because, of course, a tube can be buried underground. Here again, containers could be specially designed, and aircraft could be built to accommodate these containers. We might indeed reach a stage at which every passenger had his own little container; we would be loaded into the tube with our luggage and remain there until reaching our destination. This may appear far out, but it is not so far out that we should not look to it as a real alternative to the chaos which is developing now.

There are subsidiary benefits. An intermediate location between Toronto and Montreal could serve the upper New York state area as well. Remember, we have a man like Mr. Buckminster Fuller, an artist in materials and a clear thinker at 73 years of age—a present-day Leonardo de Vinci, and one of the great men of our age. He has suggested the construction of a proto-city for Toronto, but such a city could be built anywhere. The optimum population would be about 100,000 people, and the new city might very well be built to accommodate those who will have to serve and maintain the projected airport, together with their wives and families, the services they themselves will need, and so on.

It would not need to be under the noise pattern either. Taking advantage of high speed transportation, these people could live a hundred miles away and still get to work daily. Such a project allows a great opportunity for planning. If a new city were built on the east side of the airport, and worked out well, we could build another on the west side, taking the pressure of growth from the metropolis and spreading it across the country where work is needed and where people can live well. Profiting by high speed transportation they would still be able to experience the advantages and disadvantages of the city, if they wished.

Combined with action along these lines we could take advantage of our International Institute of Transportation Studies and associate it with a university such as Queen's at Kingston. It would be a good idea to make Queen's pre-eminent throughout the world in transport studies. There are other things, such as the Bureau for Municipal Research in Toronto which is doing excellent studies for 45 cities around the world with populations of a million or more. It is pleasant to think that there people can come from countries all over the world directly to our great international airport, and be in Toronto within an hour, or in Montreal in the same time should they wish to visit IATO or EXPO. But if we can institute such a rapid transit system between Toronto and Montreal, what is to prevent our extending it to Quebec or, maybe ultimately, right to the end of the St. Lawrence?

An hon. Member: Or to Moncton?

Mr. Danson: Or to Moncton; an important place. Or right down to Windsor. Then we would have fast transport from Detroit to the mouth of the St. Lawrence. And what would prevent our running a transportation link to Ottawa? Once we have achieved this technology we shall have solved a problem of particular importance to a country such as ours, with its vast distances and difficulties in communication which make it hard to get around, even to summer resorts; at one stroke we shall have found a way toward an improved economy and a richer life. For reasons which may not even be known to ourselves, Canada is a country highly regarded around the world and any initiative on our part would be well received by other nations, many of which would be glad to join with us in a venture of this kind, making Canada an outstanding centre for developing a better way of life.

Mr. Lundrigan: I did not at first intend to take part in the discussion of these estimates. Lately I have developed a habit of becoming involved in discussions concerning a number of estimates produced by various departments, and today I thought I would remain silent. But then I realized we do not see the minister in the house every day of the week. We know he is a very busy man who has been moving around Canada a great deal in the last couple of months.

It is not every day that we have a chance to present our points of view and discuss our problems with a minister who himself confronts one of the greatest problems in Canada, which is the satisfactory discharge of his duties as minister responsible for both transportation and housing. In these circumstances I thought I would say a few words. I am all in favour of having a minister take the bull

by the horns. When we ask this or any other minister to take the bull by the tail and do a good job, it is really asking too much. I concur with a number of other hon. members who have made reference to the onerous burden carried by this minister in having to administer a dual portfolio. As I say, this is asking him to take the bull by the tail and, although I would have to ask some of my western colleagues about it, I believe this is a nearly impossible job.

• (4:10 p.m.)

I consider the transport portfolio to be one of the most important areas of activity and endeavour with respect to most of the regions of Canada. How can we talk about economic development unless we are prepared to talk first about transportation? Everybody knows that Canada is a resource country. How can we talk about opening up the resources of our nation without first considering transportation? How can we talk about markets and labour problems, and how can we cope with the costs of living when we have transportation problems that concern these things? I consider transportation to be one of the main avenues, one of the main foci for the development of parts of Canada which are suffering as the result of regional disparity.

I do not pretend to be an expert on transportation, but if I had time today to develop the position of many great thinkers, many great economists and many great people in the areas of development in other countries, in the United States and other countries of the world, I could show that transportation is the necessary avenue for the development of our nation and for the elimination of many of our regional problems.

Today I wish to focus on one major problem in transportation, and that is Canadian ferry services. Mr. Chairman, on behalf of people in many parts of the Atlantic region I have already made representations to the Minister of Transport about ferry services, and I must admit that most of what I have been seeking is at least receiving some consideration. But I think it is time that the question of ferry services in the whole of Canada came up for revision and discussion.

The only trans-Canada highway for people living on islands that are not going to be connected with the mainland is the ocean, and the ferry which bridges the gap. This is their trans-Canada highway. I am aware that substantial subsidies are being paid to individuals and various organizations and

[Mr. Lundrigan.]

groups to operate ferries in various places, but I cannot understand why significant segments of the population living on islands have to pay for the use of their trans-Canada highway.

Why is it that people living on islands four of five miles off the coast, islands with populations of 5,000 and 6,000 people, have to tolerate the kind of services now provided by private enterprise with the assistance of the federal government, and yet have to pay to the point where it is prohibitive for them to use the ferry services? How can we give equal economic, social and cultural benefits to all the people of Canada if we prevent people from travelling to the mainland by not providing good ferry services and, when we do provide those services we do it at such a cost that it is literally impossible for them to travel?

I could describe in detail a number of problems faced by my colleagues from the Atlantic region, and by a good number of my friends from British Columbia, from various parts of Quebec and other parts of Canada. I could describe the costs that people living on islands have to pay in order to travel on their trans-Canada highway. It is time that we gave up this higgledy-piggledy method of providing services to people in island communities, and that we took a hard look at what we are actually doing.

Every now and then a private operator who is not getting enough from his ferry service makes representations to his member of parliament, to the Minister of Transport, and to Jack Pickersgill if he knows him well enough, and the result is that we get an extra $2,000 or $5,000 channeled into that service. This is the sort of lack of planning that my hon. friend from one of the important ridings in the Atlantic region mentioned several days ago. This is not taking issue with the problem.

Although I know I will not get attention given to this point tomorrow morning I think it is time that the government of Canada started treating people on island areas—I do not mean areas which contain only five or ten families, but areas where ferry transportation will have to be provided for much larger numbers over the next 10, 20 or 50 years—as if they are part of Canada. The government should provide these people wtih free ferry services so that they can have a better chance to take advantage of the economic circumstances that people in other parts of Canada take advantge of at present. The government

should help these people take part in this just society of ours. Ferry services should be provided free of cost by the Canadian government, or by private enterprise with the assistance of the government, so that these island people can use their trans-Canada highway without paying a prohibitive cost.

A few months ago I had the privilege of visiting one island community in my riding. I got to the island but I was a little leery about getting back when I realized how much it cost to get there. It cost two friends and myself $48 to travel six or seven miles of ocean, and this is a service that is provided only five or six times a week. Some 5,000 people live on that island and I say they are not treated like people in other parts of our country. As I say, it is time the government of Canada started treating these people in accordance with the facts, which are that the ocean they travel over is part of their trans-Canada highway, and is the only trans-Canada highway they will ever know.

To be more specific, Mr. Chairman, I would like to take issue with only one section of the estimates of the Department of Transport. I have been looking rather closely at the costs of administration of the Canadian Transport Commission. We hear all kinds of conversations and reasons as to why we cannot provide this or that, that we have scarce economic resources, that we are scarce in dollars and cents and must budget accordingly. Yet at page 537 of the blue book it has been drawn to my attention by quite a number of my friends who are not of my political affiliation, who are not even members of the opposition, that 17 members of the Canadian Transport Commission receive a grand total of $461,000 in salaries. We have a president of that commission who gets $40,000, enough to see him through the winter. Two vice presidents get $35,000 each. We had three chairmen getting $27,000 each and now we are being asked to increase the number to five chairmen, each getting $27,000. Then there are nine commission members who receive the lowly figure of $24,000 each.

The 17 people working for the federal government get an average of $27,000 a man, not including expenses. I do not know what the grand total would be, including expenses. The Minister of Transport will know that, but this is a staggering figure $461,000 to run one commission, and that covers just the top executive, just the crust of the commission. If we were to poll the 264 members of the house I believe the great majority of them, at least people who have a conscience, would take issue with this kind of spending of the people's taxes. To me this is an atrocity. I cannot support this kind of spending.

• (4:20 p.m.)

I shall not go into the detail of a few specific problems I have, because I believe the minister is already aware of these, since I have had a discussion with him concerning the problem of Gander international airport. However, I might make one brief reference to Gander international airport. I have spoken to him and have made representations to his office. I feel one way in which the government of Canada can take issue with the problem of disparity in one part of Canada is by paying the attention it should to Gander international airport, because this airport could provide economic stimulus to the whole of the east coast of Newfoundland. I hope the parliamentary secretary will communicate this to the minister. I have already made representations, but I have not received a response to these, although I understand the minister is considering my problem.

I did indicate that the present 8,900 feet of runway space there is inadequate to serve the growing needs of changing technology, if I might use the jargon that is used by people. The 8,900 feet of runway will not serve the needs of the aircraft. Several prominent people in aviation, including a noted Canadian figure, have stated that unless runway facilities are at least 11,000 feet, within a year many of the present airports not having these facilities will soon be out of date.

The international airport at Gander has a great future and I believe it could provide a stimulus for the whole of the east coast of Newfoundland. I will not go into any of the plans which are presently being negotiated with regard to other phases of the airport, because with the advent of the jumbo jets and stretched jets we cannot discuss these concepts until we have adequate landing facilities. We have a fine airport at Gander, but unless we get the little bit of extra runway which is necessary we can forget about the future development of the east coast of Newfoundland as I envisage it at the present moment.

Lastly, in looking at the estimates, page 539, I see an item of $27,500 for a ferry service between Carmanville and Fogo Island in Newfoundland. This amount of $27,500 is about one fifth of what should have been provided to serve the people in this island

community. As a result of my correspondence with the minister's office I have information that the amount of the subsidy to be paid in 1968-69 will be $40,000. I wonder what the reason is for the discrepancy. Perhaps I am misinterpreting the intent of the estimates. I bring this specific point to the attention of the minister, and he might like to comment on this later on.

Mr. Schreyer: Mr. Chairman, I have found it interesting and informative to listen to the statements made in the past while by the previous three speakers. I was particularly interested in the remarks of the hon. member for York North, who made some mention of Mr. Buckminster Fuller. It seems to me that the hon. member would strike one as being a junior Canadian version of Mr. Fuller. The majestic sweep of his forecasting leaves one in awe. I do no say that in a facetious manner. I certainly concur with his long range view that with the advent of supersonic and jumbo jet aircraft it will be necessary to depart substantially in our thinking from the present practice and attitude of the officials of the department, and even of Air Canada. The notion of a regional airport or regional air service centre to serve a vast region including the metropolitan complexes of Toronto, Montreal and Ottawa strikes me in a very positive way. I am one of those who believe that a national policy is not worthy of its name unless it takes adequate cognizance of the regional needs of the different areas of the country.

I should now like to refer for a few moments to the fate of the Air Canada base at Winnipeg. I notice that the hon. member for York North extended the geographic regions that this air centre would serve first to Montreal, then Quebec, and then moving east to Moncton after I talked him into it. I was hoping he would find something in the scheme of things for Winnipeg in respect of the overhaul facilities it has for jet aircraft at the present time. What is pertinent at this time is that just last night the minister for regional development made a speech in the city of Montreal on the concept of regional disparity in Canada. Since I cannot find a report of his speech in any other paper except *La Presse* I should like to place on the record one paragraph which I believe relates directly to this entire problem of regional disparity. This ties in directly with the problem of the transfer of the Air Canada base. It is as follows:

[*Translation*]

Mr. Marchand defined as a long term objective of his regional department the regrouping of industries.

Some hon. Members: Hear, hear.

Mr. Schreyer: The honourable members are too enthusiastic.

Mr. Clermont: No, it is for the way you speak French.

Mr. Schreyer: I continue, Mr. Chairman.

—not in huge "cancerous urban centres" but in three or four average-sized industrial centres which would be, for instance, in Quebec: Montreal, Quebec, Rimouski and Chicoutimi. On the other hand, the implantation of industries adapted to the needs and regional conditions in the underdeveloped areas.

[*English*]

As I understand the hon. minister he is saying that it is a great mistake, in respect of the national economy, to take a laissez-faire attitude and not take an interest in the phenomenon whereby more and more industry and more and more technical capability becomes crammed into one or two metropolitan complexes, while the rest of the country remains underdeveloped and some areas which have been slow developing slide back. In connection with the great metropolitan complex of Montreal I should like to say it is my understanding that because of the tremendous increase in air traffic in the next few years it will be necessary to spend many millions of dollars to extend the air terminal facilities at Montreal. No one is complaining about that. This is an obvious necessity and one which will be taken care of by any government at the federal level. In addition to that, however, it is my understanding that not only will millions of dollars be spent on expanding the air terminal facilities but also that it will be necessary for Air Canada to spend millions of dollars in increasing its jet aircraft hangar facilities. This is something that was not taken into account at the time when one or two inquiry commissions made their inquiry and report on the problem of the location of the Air Canada base.

I should like the Minister of Transport to indicate clearly whether or not it is a fact that in the next decade there will be a major capital expenditure for increased air terminal facilities at Montreal. In addition, would the minister indicate clearly whether it is in the plans of Air Canada to spend a major amount

of money in capital construction costs to increase the size of the jet engine overhaul and hangar facilities at Montreal. If that should be true, then it does in a substantial way impinge upon the decision as to whether or not there is a purely economic overwhelming case that this overhaul base should be transferred from Winnipeg to Montreal.

• (4:30 p.m.)

There is much more I should like to say in this connection, but since I made some reference to the subject not long ago I shall desist from saying anything more at this time. It is difficult for me to understand the hon. member for Témiscamingue—not my colleague, but the leader of the Ralliement Creditiste—who said, and I believe I understood him correctly, that we must consider the problem of the location of the Air Canada base "strictement du point de vue économique": that is, strictly from an economic point of view. I was surprised to hear the hon. member say that, because he knows full well that other considerations are involved. He has had to fight hard during the past five years for the establishment of a policy in our crown corporations and the C.N.R., which should be used as an instrument reflecting the bilingual character of this country. You cannot look at these operations all the time strictly from the point of view of economics. If that were so, how could one hope to persuade these crown corporations that they should, even at extra expense, undertake to provide services in a bilingual manner in order to meet the needs of Canadians, regardless of whether they are French or English speaking? The hon. member for Témiscamingue was not taking the position that the operations of our crown corporations must be looked at only from an economic point of view, because at times there are other factors which become overriding.

In connection with the Air Canada base at Winnipeg and whether it should be removed completely and added to the already large operation at Montreal, this does not involve just a matter of the internal operation of that crown corporation but also the question as to the regional needs in different parts of the country. We must consider whether we should put our eggs in one basket and follow the trend of some of the so-called banana republics, where everything is crammed into one or two large metropolitan cities and the rest of the country remains in extreme poverty and squalor with very little opportunity. This is what is involved, not just the internal economic operations of crown corporations and balance sheets.

At this time I wish to refer to a subject which has been touched upon by two previous speakers on the other side of the house, the hon. members for Etobicoke and York North. They ventured to suggest that within the Department of Transport a greater effort should be made, either under the aegis of the D.O.T. or a separate body, to perform a greater amount of research in the field of transportation, its economics, the implications of new modes of transportation and public health and safety. I am in complete agreement. Neither of those gentlemen referred to research into the effects of sound, but mentioned only research in respect of noise, as they put it. They mentioned noise in relation to public health and safety, or the dangers involved.

It is my feeling that this idea should be extended to encompass research into the effects of sound, not just noise, which implies sound at the upper decibel range. We should also consider sound which is imperceptive to the human ear; the sounds of high frequencies, supersonics and so on. It is my conviction, having been interested for several months in this matter, that the Department of Transport, although it performs the function of licensing of equipment and operators, does not really know what the safe permissive standard of radiant energy emission is. I would not say that if I did not feel convinced that this is so. There are a number of officials in the Department of Transport licensing branch whose function it is to check all applications for telecommunications equipment operations. Presumably they check to make sure that the power output is within a frequency range, and issue a license on the assumption that the equipment will operate within that acceptable range and that the power output will not be such as to pose a threat to public health and safety.

Much more research has been done in the United States in this regard than here in Canada. Many millions of dollars have been spent in this area and the people there are much more uncertain and uneasy about their standards of safety than we are in Canada. This is a very puzzling situation. If one asks the Department of Transport here whether it is satisfied that a microwave tower emitting energy at the rate of about 5 watts, at a frequency range of 6,000 megacycles, is safe, he is told it comes within the standards which have been accepted for a number of years

and that there cannot be any possibility of danger.

I have found from reading through some of the records of the hearings by the United States senate commerce committee, on this topic of radiation control for health safety, that the top experts in the United States agree almost unanimously, or certainly by an overwhelming majority, that the standards maintained there during the past decade are seriously out of date. They suggest they are crude, require refinement and that a better assessment of standards should be made. The standards upon which we issue licences do not take into account the possible non-thermal effect of radiant energy over long periods of time on human tissue, and forms of biological plant and animal life.

What are we doing in this country to deal with this problem or potential hazard? It is becoming more important with each passing year that something be done, because there is an increasing use of this kind of equipment. There is greater use by military authorities and the telecommunications industry. Beginning about two years ago there has been a steady increase in the use of this type of equipment in kitchens. Many ovens are equipped to use microwave radiant energy to cook foods.

The examples I have given represent only a small part of this phenomenon, which is growing with the state of knowledge in this area. I say without apology or wish to hurt anyone's feelings that our research and understanding in this regard is extremely inadequate. Our Department of Agriculture is conducting some research in this field. It has granted $3,000 to the University of Manitoba for research into the potential hazards of the thermal effect of microwave radiation and microwave energy. I suggest this is nonsense. Any research worthy of the name in this field must engage itself over a long period of time in field conditions, and not just laboratory conditions. It must concern itself with research into possible non-thermal effects of microwave and electrical frequency radiation. I am not speaking futuristically when I say there is an urgent need in this respect. The need is now. Since the Department of Transport issues licences for the operation of this equipment, it must undertake the research and not leave it to the Department of Agriculture. The Department of National Health and Welfare is not carrying out this research either. There does not seem to be any liaison between the departments that might be concerned, and to the extent that there is research it is inadequate not only in terms of dollars and cents but in the terms of reference. All in all, it is a pretty sad situation.

[Mr. Schreyer.]

• (4:40 p.m.)

Therefore, Mr. Chairman, I hope that the suggestion of the hon. member for York North and others for more research by the D.O.T. is accepted. I hope this research will be undertaken in a more comprehensive way, rather than confining it to noise. I hope the research will direct itself to the possible harmful effects of sound on all ranges, and radiation energy.

I would like to put on the record excerpts from the hearings held before a United States Congress committee, but because of the time factor and the fact that other hon. members wish to speak on these estimates I will deny myself that temptation. I feel tempted, however, to send to the Minister of Transport not just a few excerpts but all three volumes of the hearings, so that he will not treat this matter cavalierly and with indifference.

Another matter I should like to mention is the attitude of the Department of Transport with respect to regional air carriers. I know that the D.O.T. is preoccupied with our large-scale rail and air operations, but in Canada there are air lines of small and intermediate size that are of significant importance to the economies of their areas. I find, just as the hon. member for Churchill has been pointing out in the last few days, that the Department of Transport is not very much concerned with the operating difficulties which some of our regional air lines have to face.

Let us take, for example, the Winnipeg international airport complex. The regional air carriers—and there are a number of them often find it difficult to get enough hangar space, area space, in order to service, maintain and overhaul their aircraft. They find it difficult, therefore, to always meet their licence requirements in terms of frequency of service, and the like, and this becomes an increasing problem to them. This is a pity indeed, because for the northern areas of every province, Quebec, Ontario, Manitoba, Saskatchewan and others—in fact, from sea to sea—the importance of the smaller carriers cannot be overestimated. To the extent that the Department of Transport is unco-operative in assisting these air carriers to maintain their operations, the department is doing a disservice to the economic development and servicing of the north country.

A few days ago, in a rather informal way and at rather short notice someone in the Department of Transport—I suspect it was the minister or the minister without portfolio from Winnipeg, or both of them—ordered the convening of a meeting at Winnipeg to which were invited the regional, smaller air carriers. This meeting was convened because there has been a persistent problem over the last few years for these air line managers and operators to obtain co-operation from the Department of Transport with regard to getting hangar space.

I want to know how much longer this situation will persist. The Department of National Defence has a few air force hangars there. The rumour is that for long periods of time these hangars are under-utilized and could be made available on a rental basis to some of the smaller air line operators. This has not been done. I think the Department of Transport could give some help in this regard. The leasing policy of the department is not any help. As I understand the situation at the airport sites, they insist upon only short term leases and expect the smaller air lines to build permanent facilities. There is a need for conciliation to solve this problem.

I think it would be just as well, Mr. Chairman, if I resumed my place. I have drawn to the attention of the minister and his associate three problems which I consider to be important at the present time. One is the question of the proposed move of the overhaul base from Winnipeg; the second is the lack of enthusiasm by the Department of Transport with regard to accommodating the needs of regional air carriers and smaller air line operators in different parts of the country, with particular reference to Winnipeg; and the third is the need for vastly expanded research by the D.O.T. in the area of the hazard and threat to public health and safety of various forms of microwave energy, which is the form of energy used in telecommunications and which the D.O.T. licenses.

Mr. Hellyer: Mr. Chairman, I would like to answer as many questions as possible in the few minutes remaining this afternoon. May I begin by answering some of the questions raised by the hon. member for Saint John-Lancaster. With regard to the Robinson report which was received in October, 1967, I can say that the department has been actively engaged in the evaluation and implementation of the recommendations. The recommendations covered a broad range of activities—organization, recruitment, training, personnel matters and operational equipment.

Many of the recommendations respecting terms and conditions of employment are subject to the collective bargaining process. In this regard the Canadian air traffic controllers and the employer completed negotiation of their first collective agreement in August of this year. The tremendous growth in aviation has required that there be continuing improvement and adjustment in the air traffic control services—recruitment, staffing, training, equipment, etc.—on a programmed basis to keep pace with the requirements and maintain the department's standard of safety, which is second to none in any country. The hon. member also raised the question of general assistance to the Atlantic area, maritimes freight rates assistance, less-than-carload lot rates, and so on.

• (4:50 p.m.)

I will not take much time to deal with the matter at the moment. I shall merely assure my hon. friend that we are undertaking a very active study. A day or two ago I had a chance to speak to one of the people directly involved in the task force which was established by the Atlantic premiers. He has indicated they are well advanced with their thinking and we should have a report from them in a few weeks. In the meantime the studies which have been done by the Canadian Transport Commission have been going forward in parallel, so that we may look at them both concurrently. Very early in the new year we hope to give these our undivided attention in the hope that we can come to some conclusion designed to provide the best value with regard to transportation facilities for the people of the Atlantic region.

Mr. Bell: May I interrupt the minister, Mr. Chairman. Will he undertake, say in the next two weeks at some appropriate time, to say something about the matter of the expiry of the freeze on certain types of rates. I ask that, since it looks as if we shall have no new legislation before March. That is our insurmountable problem. I assume the minister agrees that the freeze will cause trouble. I understand the governor in council might be able to deal with it; but since this matter is fairly important and looms large I should appreciate an assurance from the minister with regard to the expiry of the freeze on rates. That might be enough for the time being.

Mr. Hellyer: I do not think I can give that commitment, Mr. Chairman, because it is related to all the other aspects of Atlantic transportation. I would not want to comment on one aspect, when that might be out of context with other aspects.

With regard to the other reports referred to by the hon. member for Saint John-Lancaster that come within the jurisdiction of the department, I can assure the committee that work is proceeding as quickly and as effectively as possible.

With regard to revising the Canada Shipping Act, an outside consultant has been engaged to take an independent view of the research work done by our own experts, as well as to recommend a form that new legislation ought to take.

With regard to the report of the royal commission on pilotage, the government has received the first part of the five part report and a team of departmental officials has been established to prepare the groundwork for policy decisions by the government, in addition to those already known to my hon. friend.

The hon. member also wanted to know what happened at Dorval on November 11. Perhaps the hon. member's knowledge is more extensive than mine. In any event, the department has sufficient equipment to keep the airport open and, as a matter of fact, runways were never closed at any time during the storm in question. The aircraft parking apron was, however, in a bad condition, because of inability to move snow off the apron. Trucking of snow off the airport was carried out by contract; the airport was not equipped with trucks for this purpose. The contractor was advised that his services would be required by a stated time but his trucks were unable to reach the airport, due to the blockage of roads leading to the airport. Vehicular traffic was completely disrupted due to stalled cars, etc., and some of the airport staff who left work at 4 p.m. did not reach their homes until midnight. Operations at the airport were suspended for ten hours due to a combination of blockage of road traffic to the airport, conditions of the parking apron and visibility. The latter factor was instrumental in many airlines suspending their operations. The storm in question was the worst in years in the Montreal area from the point of view of snowfall. I assure my hon. friend that I will speak to the personnel of our meteorological branch and ask them to see that this does not happen again.

[Mr. Bell.]

Mr. Bell: May I interject, Mr. Chairman that we, who were on the way to the House of Commons in Ottawa, were most upset because we could not find the V.I.P. room until five o'clock in the morning.

Mr. Stanfield: It must not happen again.

An hon. Member: Is that the washroom?

Mr. Hellyer: I think I had better not comment further on that interjection. The hon. member for Moose Jaw inquired about extending the season at the port of Churchill. We have a study nearing completion that deals with the extension of the shipping season. This is being carried out, with some degree of co-operation, with the Manitoba royal commission investigating the future of northern Manitoba. It is expected that a preliminary finding will be available in published form within three or four months. I can also assure my hon. friend that at the proposed first urban conference on transportation, members of this house will be represented. I hope they will include some members of our transport committee.

The hon. member for Témiscamingue asked for consideration with respect to the continuation of trains 83 and 84. I am sure he will appreciate that this is a matter for the Canadian Transport Commission and that representations should be made to the railway committee of that commission when public hearings are held. I noted, however, a slight degree of inconsistency in the hon. member's remarks. Although he insisted that the decision respecting the Winnipeg air base should be made strictly on economic grounds, he said that these trains ought to be kept in service notwithstanding—and I took this admission from his remarks—that they are not economical. This lack of consistency appears from time to time in public life and must be taken into account when future plans are being made.

Mr. Stanfield: That is a good sentence.

Mr. Hellyer: It is one I copied from a former holder of the office now occupied by the hon. gentleman.

The hon. member for Etobicoke made an excellent representation on behalf of the residents of his riding advising against the major expansion at Toronto international airport. He raised a number of problems which are indeed relevant. All I can say at this time is that they were also raised by the hon. member for Halifax-East Hants and all those

factors that have been raised will be taken into consideration before a final decision is made. I think that has been understood from the beginning. There are many factors in favour of the major expansion, although there are good reasons to know that would disturb quite a number of people. I can only assure my hon. friends that all points of view will be listened to and considered before we make a final decision.

The hon. member for Gander-Twillingate asked a number of questions. I shall only deal with one of them as my time has almost expired. He mentioned the Carmanville-Fogo subsidy. I can only say that this is administered by the water transport committee. Perhaps the hon. member could pass his question to the Canadian Transport Commission and have it dealt with before the committee of that commission. In addition he asked about the possibility of extending the runway at Gander. In that regard I have a letter which I will send him in answer to an earlier inquiry. It states, in effect, that the department will expand these runways when there is a demand for this from the users. At present we have not been requested, either by international or domestic users of this airport, to expand the runway facilities there. These questions are constantly under review and if it is decided that an additional runway is required in order to facilitate the landings of aircraft, that of course will be taken into consideration by the department.

The hon. member for Halifax-East Hants raised a question similar to the one raised by the hon. member for Saint John-Lancaster with respect to maritime transportation generally. I can also assure him that this matter will come under very active consideration in the weeks ahead and I hope it will not be too long before a report on the matter is presented.

He also asked for consideration to be given to providing flights from Halifax to places like Ottawa. I expect he realizes that this will come about when traffic is sufficient to support that kind of service. A number of new services have been inaugurated; for example, there is a flight now from Winnipeg to Ottawa. Without doubt a great many more services will come into being in the months and years ahead as additional traffic is generated.

• (5:00 p.m.)

The hon. member for York North made a very interesting speech in which he proposed a far out, but perhaps not that far out, alternative to the expansion of Toronto international airport. In doing so he also raised a number of interesting ideas and suggestions in respect of urban development in the broader sense, and better value in housing. I was therefore listening in both capacities and trying to put the whole scheme together in my mind. I can only thank him for at least stretching our minds a little by giving us these ideas to consider.

The hon. member for Selkirk mentioned his concern about the five watt microwave transmitter of 6,000 megacycles. I should like to remind him, not as an indication of my lack of concern, that during the war radar was operated on the order of one million watts without any harmful effects being observed. At the same time I can assure my hon. friend we are interested and concerned in adding to the total bank of scientific knowledge relating to modern technological developments. I am sure there is a lot we do not know as yet. I am sure, too, that the hon. member knows that the sun radiates energy not far from this section of the spectrum. This, too, has effects on the human body which are not fully appreciated.

An hon. Member: Will the minister permit a question?

Mr. Hellyer: I think perhaps the next time around, because there is one more answer I should like to give and I have already transgressed on the good nature of the house to the extent of an extra five minutes.

In so far as the Winnipeg airport is concerned, I should like to advise that recently there were negotiations between my department and the Department of National Defence as a result of which the Department of National Defence agreed to make available to us half of hangar No. 4, that is on the east side. This space will be available immediately and will partially accommodate the traffic there. We have also made an arrangement for a parcel of land adjacent to hangar No. 4. Next summer we will commence construction of additional facilities on that parcel. Furthermore, the consultant's long range study that the government requested has been considered by our department. This is the subject of further negotiations which are presently taking place with the Department of National Defence and will enable us to provide additional facilities. I think it will not be too long before we will be able to provide adequate facilities for commercial users at Winnipeg.

Finally, Mr. Chairman, may I thank all hon. gentlemen who have participated in the debate this afternoon. I think they have been most constructive in their interventions and I hope that if there are any questions remaining we can deal with them at a future date, or on orders of the day.

The Acting Chairman (Mr. Richard): It being five o'clock, shall I rise, report progress and request leave to sit again at the next sitting of the house?

Progress reported.

HOUSE OF COMMONS

MOTION TO FORGO SITTING ON THURSDAY, NOVEMBER 28

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, if I may, I should like to request permission to revert to motions so that we can make an order with respect to the business for next week.

The Acting Speaker (Mr. Richard): Has the minister leave to put his proposal forward at this time.

Some hon. Members: Agreed.

Mr. Macdonald (Rosedale): It was suggested that the house might not sit one or two days during next week so that members could give all their attention for a day or two to the business before the standing committees of the house. Consultations have taken place through the usual channels, and I believe that the motion which I am going to suggest to the house would be generally accepted. I move, therefore:

That the sitting of this house on Thursday, November 28, 1968, shall be suspended, but for the purposes of the special order made on September 20, 1968, that day is to be counted against the total of 17 days allotted to the business of supply.

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to say a word at this time, Mr. Speaker, to indicate that we are prepared to go along with this motion in an effort to expedite the work of the committees. I should point out, of course, as is indicated in the motion, that this day comes off the very limited number of days available to the house for supply. We are agreeable to this in an effort to be co-operative, in view of the very high degree of congestion in the work of the committees which is aggravated, of course, by the fact that there are two sets of estimates coming before this session of parliament. This means that the committees, in addition to being concerned with their ordinary work over a full session, are confronted by an additional work load.

Quite frankly, I think the committees are finding it difficult to be properly manned and to discharge the burden of work with which they are confronted. We are agreeing to this motion, not because we do not value the relatively few supply days that are available, but because we feel it is necessary to do so, in view of the congestion of work with which the committees are confronted. We are prepared to try this procedure for one day, to see if it will afford some relief to this extreme congestion.

Mr. Stanley Knowles (Winnipeg North Centre): Naturally, Mr. Speaker, we welcome this motion since it implements a suggestion made from this corner of the house. I just have one point I should like to make, and this is not a reservation or qualification so far as this motion is concerned. If this experiment is tried again, we would not like it to be a precedent to be followed every time the house takes a day off for committee work that the day has to come off our supply days. We think that can be negotiated in the future, and we would not want the passing of this motion to be taken as a precedent in that respect.

Mr. Arnold Peters (Timiskaming): Since there is a time limit on the consideration of the estimates, Mr. Speaker—I think it is December 12—would the house leader not consider extending this motion to cover two days in this week rather than just one? It seems to me if it is good to have one day, then it is better to have two. If we are willing to give up this time, there is no reason why that should not be done.

Mr. Macdonald (Rosedale): I indicated to my hon. friends opposite that initially the government would have been prepared to take two days. There was a disagreement about taking Wednesday. Tuesday, as you know, has been the subject of a special order by the house for a debate on external affairs, and there seemed to be a general reluctance to take Monday or Friday. By the process of elimination, therefore, only one day was available.

An hon. Member: We might get a second day the following week.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, because the committees are burdened with

work this session, we agree that it is advisable to take that day as an experiment, to see if that would give results. But, as the hon. member for Winnipeg North Centre (Mr. Knowles) pointed out, we would not like it to be a precedent in case the experience does not prove as successful as we hope.

[*English*]

Mr. A. P. Gleave (Saskatoon-Biggar): May I direct a question to the minister? At the last meeting of the standing committee on agriculture we were informed that the committee would not meet on either of the two regular days next week, that is Tuesday or Thursday. May I ask the minister if, in the event the house agrees to this procedure, this situation will be changed, and the standing committee will be able to meet next week?

• (5:10 p.m.)

Mr. Macdonald (Rosedale): Mr. Speaker, I would have to draw that to the attention of the co-ordinating committee.

Mr. Gleave: Then I have the minister's assurance that he will do so; am I correct?

Mr. Macdonald (Rosedale): I will bring the matter to the attention of the co-ordinating committee. I cannot make a commitment now. This committee has the job of co-ordinating the committee work of the house.

The Acting Speaker (Mr. Richard): Does the house give unanimous consent to the approval of this order?

Some hon. Members: Agreed.

Motion agreed to.

BUSINESS OF THE HOUSE

Mr. Macdonald (Rosedale): Mr. Speaker, might I at the same time make a confirmation with regard to Tuesday's business. The business for the early part of next week is as I outlined yesterday; that is to say, on Monday the estimates of the National Capital Commission. I should like to call special attention to the fact that on Tuesday we will be considering a motion for concurrence in the second report of the standing committee on external affairs and national defence, under the terms of the special order of the house made on November 6, 1968. I call this to the attention of the house, principally so that it might be reflected in the proceedings of the house that day.

The Acting Speaker (Mr. Richard): It being five o'clock this house will now turn to the consideration of private members business, as appearing on page 12 of the order paper, public bills.

IMMIGRATION ACT AMENDMENT

CONDITIONAL ADMISSION OF MENTALLY RETARDED PERSONS

Mr. Barry Mather (Surrey) moved the second reading of Bill No. C-10, to amend the Immigration Act (mental retardation).

He said: Mr. Speaker, I notice in rising to speak that approximately one quarter of the time that is usually devoted to private members bills has already expired. With that in mind I intend to be even briefer than I usually am, and I recommend the same policy to other hon. members who I am sure will rise to speak in support of my proposal.

Mr. Knowles (Winnipeg North Centre): Especially the "talker-outers".

Mr. Mather: Thank you. I was motivated to introduce this bill by the troubles and appeals of a number of people in my area of British Columbia who are parents of mentally retarded children and members of the local Mental Retardation Society. Their complaint, which they still make today, Mr. Speaker, is that when they and their families visit across the border in Washington, Oregon and other states with their children who are mentally retarded, they run into a good deal of trouble and delay. As we can understand, people with mentally retarded children have so many troubles in the ordinary course of events that they naturally wish if possible to avoid additional friction when visiting relations or friends in another part of this continent. This is why, Mr. Speaker, I am trying to put forward in legislative form the suggestion that families who come from the United States to visit Canada and who similarly have mentally retarded members should not run into similar difficulty in our border restrictions.

The hope of the families on behalf of whom I speak was, and still is, that if Canada would reform and update our border crossing regulations in this respect it might well be that this would encourage the making of a mutual arrangement with our neighbours to the south, the United States, in regard to their regulations. The explanatory note to Bill No. C-10 which I have put forward reads as follows:

The purpose of this bill is to provide that a person afflicted with mental retardation may be

admitted to Canada under the Immigration Act if he is not likely to become a public charge. In other words—the absolute prohibition against such a person is relaxed to the degree applicable to persons who are "dumb, blind, or otherwise physically defective".

The phrase which I have used—"dumb, blind, or otherwise physically defective"—appears in section 5 of our present Immigration Act, which deals with prohibited classes. Under existing laws these persons may be admitted to Canada if they have sufficient means of support, if they are not likely to become public charges, or are members of a family accompaying them or already in Canada and the family gives satisfactory security against such immigrants becoming public charges.

In brief, Mr. Speaker, the bill before the house would provide similar safeguards and privileges for members of families who are mentally retarded to come into this country. The effect of the bill would be to eliminate the additional trouble caused those families with mentally retarded members when crossing the United States border into Canada. Hopefully, Mr. Speaker, the country to our south, the United States, would respond by passing similar legislation.

The intent of the bill was to ease, if this is possible, entry from the United States to Canada of families with mentally retarded members, in the hope, as I say, of reciprocal legislation. This restriction was to be lifted for visits only. However, as drafted the bill would also provide for the visit or permanent entry into Canada of such persons, with the safeguards that I have enumerated.

There are, of course, provisions in the United States in the form of waivers to help in this sort of situation. I believe these waivers are attached to the entry visa and provide a way around the prohibition that exists in their immigration legislation in regard to mentally retarded people. I am also informed that for our part Canada has a similar type of waiver which can be applied for in order to permit the entry of such persons.

However, in both countries the actual immigration legislation does not in itself provide for what, to me at least, seems a common sense, humanitarian thing, namely the entry without special application of people who conform to the provisions in the act regarding persons who are dumb, blind or otherwise physically defective.

I have in front of me the current issue, fall 1968, of the publication "Mental Retardation". The general question that my bill concerns itself with—that is, the passage across the international border of the type of person I have described in the bill—is very well dealt with, to the extent of several pages. A chapter dealing with the retarded and border crossing regulations is included in the pamphlet for the information and help of people concerned, namely those families with mentally retarded members who wish to make visits to or take up permanent residence in the United States or Canada, as the case may be. There are certain regulations in both countries with which these people must concur, and the chapter describes in detail over the course of several pages the different steps that should be taken to surmount the prohibition that exists in the legislation. It ends by saying:

It is perhaps unnecessary to point out how archaic these provisions in the Immigration Act are. Changes should be made to reflect more adequately the social and economic realities of present day life.

• (5:20 p.m.)

The same idea as is expressed in the publication from which I have quoted, and in my own bill, was also put forward by the former minister of citizenship and immigration, now the minister responsible for forestry and rural development (Mr. Marchand). In 1966 a white paper was issued under the name of that hon. gentleman in which the following is stated in section 58 under the heading Immigration Policy:

Scientific knowledge and medical skill have reduced substantially the element of risk once inherent in certain illnesses. The present grounds for prohibition do not altogether reflect this advance. Nor are they altogether in line with modern medical and sociological concepts, particularly in respect of mental illness and epilepsy. Persons actually insane or suffering from contagious or infectious diseases ought not to be admitted as immigrants or non-immigrants, unless they are coming to Canada by previous arrangement and under proper safeguards to take treatment. However, an illness that has been cured or brought under control to the point where no danger to public health or safety exists, should not be a bar to either temporary or permanent admission.

Nor should mental or physical defectives be excluded for that reason alone, but only if they represent a danger to society or are not assured of private care.

With this I fully agree, and I urge the house to give at least approval in principle this evening to the subject matter of the proposed bill so that it may be proceeded with at committee level.

Mr. Hubert Badanai (Fort William): The purpose of this bill, as outlined by the hon.

member for Surrey (Mr. Mather) is to provide that a person afflicted with mental retardation may be admitted to Canada under the Immigration Act, if he is not likely to become a public charge. In other words, the prohibition against the admission to Canada as a landed immigrant of such person would be removed.

I wish to commend the hon. member for his humanitarian attitude, because I have also had the privilege of introducing bills of similar intent which had the effect of proposing amendments to the Immigration Act. In my case, the proposed amendments were designed to give permanent status to immigrants who had suffered mental disorders, who had been admitted to a mental institution after their admission to Canada as landed immigrants, and who had apparently been cured. I am referring to the introduction of Bill C-30. I was very fortunate in that this bill was accepted by the government, and that on March 22 of this year the amendment which I had proposed became law.

As a former parliamentary secretary to two ministers of citizenship and immigration, I am naturally in sympathy with the objective which the bill under discussion would achieve, if approved by parliament, and I welcome the opportunity to make a few observations about it. First of all, I would agree that a person afflicted with mental retardation should not always be regarded as hopeless. Recent advances in medical knowledge and techniques may well, in some cases, have the effect of alleviating the affliction. From a report on mental retardation by the executive director of the National Association for Retarded Children, I wish to quote the following:

> Historically, mental retardation has been viewed for the most part as a static, unchanging, incurable condition. Although there were some brilliant thinkers and gifted practitioners who envisioned the potentials of training and treatment for the retarded, the idea "Once retarded always retarded" led over the years to the general practice of providing humane treatment with little hope that the afflicted individuals could ever participate in the competitive world of employment and civic responsibility.
>
> Indeed, the concept had so strongly crystallized that, in 1916, Terman described the mentally retarded as follows—"They will make a little progress in a well-managed special class, but with the approach of adolescence, at latest, the state should take them into custodial care for its own protection." Terman held that mental retardation was inherited—that mental deficiency and moral deficiency were synonymous, that mental growth stopped in adolescence, and that since intelligence was a general problem-solving behaviour then if one was retarded at all one was retarded in each specific area of human functioning. With this type of concept, it is small wonder that little effort was made to try and improve the performance of the mentally retarded.

Several years ago, as a matter of fact, scientists were working to lay the foundation for a revolution in the physical sciences, one which has changed our lives and is changing them every day. Our present world has been transformed by the great scientific revolution of the last quarter of a century, from television to the space rocket. Science has created a new world with new problems, dangers and challenges. A number of Nobel prize winners have devoted themselves to the subject of mental retardation. For example, in 1958 a man by the name of Lederberg shared the Nobel prize for uncovering some of the basic mechanisms underlying heredity and worked in the Kennedy laboratories devoted to mental retardation. A Dr. Lejeune from France won the Kennedy award by proving that certain characteristics in the cells of the human body offer hope of controlling some forms of mental retardation. Another scientist by the name of Donald Glaser, winner of a Nobel prize in physics, was so interested in mental retardation that he switched his field of interest to microbiology, feeling that in this field lay the challenge of the future. The work of these scientists who are seeking an understanding of the human mind and body, together with the processes of fundamental life, will have consequences for the surprisingly vast number of the mentally retarded in Canada as well as for the millions elsewhere in the world.

It has been reliably reported that nearly half a million Canadians suffer the handicap of mental retardation in one degree or another. In other words, it is estimated that about 3 per cent of Canadians are to some extent retarded. Only four other disabling conditions, mental illness, cardiac disease, arthritis and cancer have a higher prevalence, and these tend to come later in life, whereas mental retardation comes early.

Mental retardation ranks as a major national health, social and economic problem. It afflicts twice as many individuals as blindness, polio, cerebral palsy and rheumatic heart disease combined. Mental retardation does not respect station in life, or geography. It may afflict the children of the rich, or of the poor, in any part of the country.

Great strides have been made in learning new ways to educate and rehabilitate those, who a few years ago, had no hope. The Canadian Association for Retarded Children, the

Canadian Mental Health Association, and others, have made outstanding efforts to help the mentally retarded. But surveys made by the Canadian Association for Retarded Children, its member associations and other organizations, reveal a serious shortage of facilities for mentally retarded children and adults alike.

• (5:30 p.m.)

The great hope of these handicapped persons lies in the implementation of the many new concepts developed in treatment, training, vocational guidance and permanent care, which will bring about a greater integration of the mentally handicapped into the community, and more humane treatment for those whose disabilities are so severe as to require constant supervision.

I have no hesitation in saying that in my view the problem of mental retardation has been neglected, and only in recent years have we become conscious of the need to do something about it. In order successfully to meet the problem more co-ordinated efforts should be made on the part of the municipalities, the provinces, and the federal government.

In 1964 there was the first Canadian federal-provincial conference on mental retardation. The conference was conceived as a timely and essential step in seeking to improve, extend and achieve greater co-ordination of health, welfare, education and vocational services for mentally retarded children and adults.

Following the conference a steering committee met in Ottawa in February 1965, to review the work of the conference. The committee felt that it was the federal government's responsibility to provide leadership by working with the provincial authorities and voluntary health and welfare groups. It felt that attention should be given to mental retardation in mental health research, child and maternal health research, and related research programs. It believed that the conference itself had indicated that there were many avenues to improve services and better co-ordination of agencies and facilities, and that to pursue these required only a spirit of conscious concern on the part of all responsible persons. The committee also felt that the conference, in heightening this sense of conscious concern, had accomplished its major purpose.

What we have been able in past to accomplish for the mentally retarded in Canada is only a beginning when related to the great accomplishments that we can attain in the years ahead. I suggest that we should accept a more responsible role in the field of mental retardation, as our knowledge expands in this great field of public welfare which offers avenues of hope undreamed of in the past.

In my opinion the bill in question could well be broader, affecting not only paragraph (s) of section 5 of the Immigration Act, but it might well have also dealt with section 5(a) (iv) which refers to those afflicted with epilepsy. This is also an affliction that has responded to new medical knowledge and techniques.

However, I must point out that the bill which I have referred to as Bill C-30 dealt with an amendment to give permanent status under the Immigration Act to immigrants who have suffered from a mental disorder, but who apparently have been cured. The minister realized that when the Immigration Act was framed insanity was regarded as an incurable illness, and saw the merit of the need for a change in the act. We are all grateful to the former minister of manpower and immigration for his foresight and humane understanding, from which many immigrants are enjoying the benefits in the change of the legislation, restoring to them the dignity and the right to apply for Canadian citizenship which was denied to them under an unfair section in the Immigration Act.

Whether paragraph (s) of section 5 of the Immigration Act, which this bill is trying to change, is unfair, has to be examined in the light of circumstances surrounding individual cases. For instance if the person seeking admission is a member of a family already in Canada, financially responsible and capable of giving satisfactory security against such an immigrant becoming a public charge, in such a case there would appear to be sufficient justification to relax the regulations to enable that person to join his family. On the other hand, a person with no family ties in Canada would most likely become a public charge, and a rather serious one. The amount involved would run into thousands of dollars for each person.

Another point on which I would like to make an observation is that other departments of government, besides that of manpower and immigration, are particularly concerned, such as the Department of National Health and Welfare on the medical side, and the Department of Justice with regard to legal

consideration of this bill. They should express their views on the bill.

In summary, Mr. Speaker, I would say that the intent of Bill C-10 is certainly commendable. It is the sort of measure that one can gladly support, but it could profit by amendments that would widen its scope. We should be certain that it is acceptable, from the medical and legal point of view, by those departments of the federal government that are also concerned with its application.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, it is with much pleasure that I lend my support to this bill. I express our gratitude to the hon. member for Surrey (Mr. Mather) for introducing it. It is a very minute bill but it is of much importance to a lot of people.

I have listened with much interest to the very eloquent speech just made by the hon. member for Fort William (Mr. Badanai) and I gather from those remarks, from one who is interested in the whole problem of mental retardation and our responsibility in society to those so afflicted, that here is a gentleman who does have a concern and also an in-depth knowledge of the problem. I commend him for the remarks he made. However, I find it difficult to understand his reasoning in asking that this bill be set aside for the purpose of expanding it to meet other inadequacies in the immigration law, because to open the whole Immigration Act, even to this problem, is something that goes far beyond the scope of Bill C-10. Therefore I would urge him to reconsider his stand and look at Bill C-10 for what it actually says.

The bill is intended to make it possible for parents who have retarded children in their families to bring those children to this country in the same way as they are able to bring their other children. The bill is even so cautious as to specify that the parents must be able to guarantee that there is support for such children.

Let me be specific. I know of at least three cases, and I am thinking of one in particular, of families having a very real problem because our immigration laws do not permit a child suffering from mental retardation to have the normal status of his brothers and sisters in this country. The particular case I have in mind is that of a professional man. He came to this country, well qualified, a few years ago, but he has to go back to the immigration people year by year to receive a permit to allow his only child, who happens to be retarded, to stay here in Canada. There is doubt and a lack of security hanging over the heads of this family, and this is something which is just not reasonable.

This regulation in the act must date back to the dark ages, or at least back to a time when people looked on retardation as some sin of parents expressed in their offspring. It just is not logical in the light of what we know today concerning retardation, and is not in agreement with the progress we have made in society. I would go even further than the hon. member sponsoring this bill, who very mildly suggested that we should let the bill pass so that it could go to the appropriate committee and be studied further.

• (5:40 p.m.)

My mind goes back to the time when I was a quite junior member of this house. The hon. member who now is the Minister of Indian Affairs and Northern Development (Mr. Chrétien) proposed a seemingly insignificant bill the effect of which was to change the name of our national air lines from Trans-Canada Air Lines to Air Canada. There was good will in the house with regard to this one particular bill, which might have been much more controversial than the one we have before us. The house let the bill go through. Not only was it in effect a very major change in so far as Air Canada was concerned, but it also gave hope to many backbenchers in the house that perhaps they did have some worth, perhaps some of their suggestions were reasonable and perhaps there was some justification for being a backbencher in this house.

I suggest to members of the house that we have here a bill with which everybody can agree. It is very short and concise. Its purpose, as is stated, is to provide that a person afflicted with mental retardation may be admitted to Canada under the Immigration Act, if he is not likely to become a public charge. That is all it says. We can accept that. We cannot really argue against it. Why do we not end our deliberations and permit this bill to pass?

Some hon. Members: Hear, hear.

Mr. Thompson (Red Deer): In this way we would make a worthwhile contribution to a surprising number of families who would otherwise suffer an unjust hardship because of the antiquated effect of the Immigration Act. I suggest that at the same time we would give some encouragement to the backbenchers, indicate to them that they have some ideas

which are worthwhile, and show that they can make some contribution in this chamber as lawmakers.

Some hon. Members: Question.

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, the purpose of Bill No. C-10 is to provide that a person afflicted with mental retardation may be admitted to Canada under the Immigration Act if he is not likely to become a public charge. In other words, the absolute prohibition against such a person would be relaxed to the degree applicable to persons who are dumb, blind or otherwise physically defective. To accomplish the objective, the hon. member for Surrey (Mr. Mather) proposes to repeal paragraph (s) of section 5 of the Immigration Act which prohibits the admission of the following individuals:

> Parsons, not included in any other prohibited class, who are certified by a medical officer as being mentally or physically abnormal to such a degree as to impair seriously their ability to earn a living.

The sponsor would substitute:

> Persons, not included in any other prohibited class, who are certified by a medical officer as being mentally or physically abnormal to such a degree as to impair seriously their ability to earn a living, unless, where such persons are abnormal by reason of mental retardation.
>
> (i) they have sufficient means of support or such profession, trade, occupation, employment or other legitimate mode of earning a living that they are not likely to become public charges, or
>
> (ii) they are members of a family accompanying or already in Canada and the family gives satisfactory security against such immigrants becoming public charges.

I am certain the hon. member has proposed his amendment with the best of intentions. I think we all agree that its expressed objective is a commendable one. I cannot, however, support Bill C-10 since unfortunately it would not accomplish the intended purpose.

Mr. Thompson (Red Deer): Of course it will.

Mr. Loiselle: My hon. friend proposes to amend section 5(s) of the Immigration Act as a means of facilitating the admission of the mentally retarded. I think, however, he has misunderstood the nature of section 5(s). By including section 5(s) in the Immigration Act parliament provided a discretionary power which can be used under very limited circumstances and only on the basis of a medical certification. Section 5(s) is a residual section. It covers individuals not included in any other prohibited class. It cannot be applied without medical certification. A certification can only be made if an individual is mentally or physically abnormal "to such a degree as to impair seriously their ability to earn a living".

Because of the restrictions contained in section 5(s) it is rarely used. As a matter of fact it was used on only two occasions in 1965, five occasions in 1966 and six occasions in 1967. If the mentally retarded are prohibited, it is usually because their retardation is so severe as to place them within section 5(a)(i) of the act which absolutely prohibits the admission of idiots, imbeciles and morons whether they wish to come to Canada as immigrants or non-immigrants. The amendment proposed by my hon. friend would neither remove nor relax that prohibition. Hence its passage would give only the semblance of a relaxation on behalf of those unfortunates who are mentally retarded.

I think the members of this house will agree that the absolute prohibition on the admission of those who suffer severe mental retardation probably accurately reflects the views which were prevalent some 15 years ago when the present Immigration Act was passed. But I think it will be generally agreed that it does not reflect today's attitudes. The previous minister and the present minister relaxed the absolute prohibition on the admission of those afflicted with mental retardation by using the authority provided by parliament, and allowed them to enter under ministers' permits. In 1966, there were 65 ministers' permits issued allowing the admission of such persons. In 1967, we see that 72 were issued, while 56 were issued during the first nine months of 1968.

This of course is a temporary solution. The white paper gives a clear indication of this government's opinion that substantial changes are desirable in the existing statutory grounds for prohibiting the admission of people to Canada. These changes would include a removal of the absolute prohibition on those afflicted by severe mental retardation. As indicated in paragraph 58, page 25 of the white paper, which the hon. member for Surrey read when he was speaking, they would be prohibited only if they represented a danger to society or were not assured of private care.

The views contained in the white paper will be reflected in the new immigration act. Until that act is passed we shall continue to provide relief through the use of ministers'

permits. The need for this practice would not be removed by the passage of Bill C-10 because, as I hope hon. members now realize, this bill would not in effect relax the present statutory prohibition against the mentally retarded.

In summary, may I say that I appreciate and share the desire of the sponsor of this bill to facilitate the admission of the mentally retarded by amending the act. I cannot however support his bill since it would not accomplish that objective but indeed might raise false hopes.

As was mentioned by the hon. member for Surrey some changes should be made in this act concerning the rules. In article 63(b) of the white paper we find that the following type of person would be prohibited:

A mentally or physically defective person unless he is a member of a family otherwise admissible and well able to look after him.

So, this is clear-cut in the white paper on immigration of 1966, when this white paper is acted upon.

Mr. Knowles (Winnipeg North Centre): When will that be?

Mr. Loiselle: The hon. member asks when that will be. Well, I am not a minister; I am not a minister yet. The hon. member has asked me when the subject of this bill could become part of the immigration law. I suggest this will not happen this session, but not later than next session. If I was the minister perhaps I could suggest a date, but I cannot implicate the minister by making a declaration. I feel that at the next session this parliament will decide on the recommendations in the white paper on immigration. The subject of this clause will be included in the new act and there will be no further question in respect of ministerial permits referred to by the hon. member for Red Deer (Mr. Thompson).

• (5:50 p.m.)

As I mentioned earlier, there has been a change regarding the issuing of these permits; the immigration law has been changed since 1953. Between now and the time the new immigration act becomes law this problem will be taken care of, in the same way the hon. member suggested earlier the problems in respect of parents and children are handled.

I feel that until we have a new immigration act we should carry on in the same manner, allowing the department to look after these special cases as it does now. Perhaps the hon. member does not agree, but I think we should continue in that way. The result of the hon. member's bill will not correct the part of the immigration law he wishes to change. Perhaps by some other bill the hon. member could make this correction in the law. Bill C-10 does not cure the problem referred to.

For various reasons I agree there is a problem. The government has felt there is a problem, as indicated by references in the white paper on immigration. The minister has indicated that he intends to correct this difficulty and will do so when the new act becomes law. I ask the hon. member to be patient for another few months and allow the department to take care of this situation as it has done in the past. Within a year everything will be corrected, and in the meantime the department will follow this practice, even though it may not be satisfactory to the hon. member.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, perhaps we could make a suggestion in respect of this bill, because there seems to be general support for the principle. Even the hon. member for Saint-Henri (Mr. Loiselle), who thinks the bill is defective in drafting, supports its principle. I draw attention to the fact that we have lost 15 minutes of allotted time for this discussion. I realize this was agreed upon by all, but this loss of debating time is unfortunate and I wonder whether we might not continue the discussion in one of two ways. We could let the bill retain its place for another time—

An hon. Member: No.

Mr. Knowles (Winnipeg North Centre): —or perhaps we could refer the subject matter—not the bill—to one of the standing committees. I heard "no" in reply to the suggestion that it retain its place. Let me try the alternative. I move:

That Bill C-10 be not now read a second time, but that the subject matter thereof be referred to the standing committee on labour, manpower and immigration.

Mr. Loiselle: Mr. Speaker, if I correctly understood the motion of the hon. member for Winnipeg North Centre (Mr. Knowles), he wants to postpone second reading in order to refer the bill to the committee.

Mr. Knowles (Winnipeg North Centre): Just the subject matter, not the bill. There is quite a difference. This is a means of having the matter discussed in the committee.

Mr. Loiselle: Why should we have this matter discussed in the committee when we are now attempting to deal with it, and know that the Department of Immigration is already taking care of these cases? We will solve nothing by bringing this matter before the committee. We will not solve the problem by discussing the bill during three, four or five sittings of the committee. I think it would be much preferable if the hon. member for Surrey (Mr. Mather) proposed another bill which would correct the proper part of the Immigration Act.

Mr. Godin: Question.

Mr. Loiselle: If the hon. member for Portneuf (Mr. Godin) wants to speak he should get permission to do so. I now have the floor and he should let me talk. I know the hon. member for Winnipeg North Centre is an expert in the rules of the house and the committees, but I still do not see what use there could be in sending this to the standing committee.

Mr. Knowles (Winnipeg North Centre): Did the hon. member not hear the Prime Minister (Mr. Trudeau) say today that thinking about these things is a good idea? We should do some thinking in the committee.

Mr. Loiselle: Let us dispose of this bill today. We have discussed and explained what the government is doing about the situation. If the hon. member is a member of that committee he can pose this question and discuss it the way he wants to, when the committee—

The Acting Speaker (Mr. Richard): Order, please. It being six o'clock the hour for consideration of private members business has now expired.

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

HOUSE OF COMMONS

Monday, November 25, 1968

The house met at 2.30 p.m.

LIBRARY OF PARLIAMENT

TABLING OF REPORT CONCERNING SALARY REVISIONS

Mr. Speaker: Order. I have the honour to lay before the house a report of the joint committee on the library of parliament concerning salary revisions of certain employees of the library of parliament.

FINANCE

REPORT ON MEETINGS RESPECTING INTERNATIONAL MONETARY CRISIS

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I want to give a brief report on the important meetings in Bonn last week of the ministers and central bank governors of the Group of Ten. The meetings were called to discuss the measures that could be taken to restore equilibrium in the international monetary system which had been disturbed by massive speculative capital movements involving some European currencies. The governor of the Bank of Canada and I participated in the discussions.

The authorities of the Federal Republic of Germany announced their decision to take parliamentary action immediately to alter their border tax adjustments in such a way as to reduce substantially the German trade surplus. They are also taking steps to inhibit the inflow of short term capital.

The French authorities have announced that they will take steps immediately to reduce their budgetary deficit, to restrict the use of credit, to slow down price and wage increases, and to impose foreign exchange controls.

No change in the par values of the Deutschmark or the French franc is involved in any of these measures.

A new central bank credit facility for France was arranged in the amount of two billion U.S. dollars. The Bank of Canada's share of this facility is 100 million U.S. dollars. The new facility is in addition to France's substantial drawing facilities in the International Monetary Fund.

The authorities of the countries concerned are determined to seek a better equilibrium in their international payments, to counter speculation, and to offset the effect on exchange reserves of destabilizing short term capital flows. The measures taken are an expression of this determination. The response of financial markets in Europe and North America today has been encouraging. Throughout the period of disturbance the Canadian dollar has remained strong.

Mr. Speaker, if the house will permit I will table the communiqué issued at the end of the meetings of the Group of Ten.

Some hon. Members: Hear, hear.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, first of all I think I ought to object very firmly to the unwillingness of the government, through the President of the Treasury Board (Mr. Drury), on Friday last to give the house the information on this subject for which I asked at that time, and the supplementary information requested by the hon. member for Waterloo (Mr. Saltsman). There does not seem to me to be any excuse for the failure of the government to give the house the information at that time, because at the very time or just about the same time we were seeking this information the Minister of Finance indicated in Bonn that Canada would indeed be taking part in the credit arrangement granted to France and referred to by both the hon. member for Waterloo and myself. This does not involve the Minister of Finance—

Mr. Benson: On a point of order, Mr. Speaker, may I say that the meeting in Bonn did not conclude until about nine o'clock Canadian time.

• (2:40 p.m.)

Mr. Stanfield: It is difficult for me to believe that the Minister of Finance had not consulted the government of Canada about commitments that would be appropriate on behalf of Canada at this time. I had also hoped to receive some information from the minister's statement. Without being offensive, let me say he has not told us anything we had not read in the press.

The impression one gets is that the decision of the government of France not to de-

value the franc took everybody completely by surprise. The minister has not indicated whether this is so, but this is the impression we have gained from the news media, and it has not been corrected by the minister. In addition, this decision has placed a severe strain upon some other international currencies, notably the pound sterling; and the minister has not made any comment in this regard nor about the measures the British government has had to support within the last few days, constituting another series of tough measures.

Frankly, I must say it does not seem to me the minister has given us any information or any reassurance in respect of the existing situation, and in view of experience during the past year I am sure we all agree that if these difficulties spread they could spread to us as well. After all, this is the third monetary crisis this year. As recently as October 7 the Minister of Finance returned from a series of international finance meetings in South America, rather blandly I thought—satisfied and optimistic about arrangements that had been made to "enhance", as he put it, "the stability of sterling and of the international monetary situation".

At that time I could not share the minister's satisfaction, and I was disappointed that more progress had not been made in the area of strengthening international currency arrangements. I said then that the proper time had arrived for more permanent arrangements to be made, and that progress had been slow. What seemed to be appropriate a month ago has become a matter of extreme urgency today. I suggest to the Minister of Finance in Canada that he ought to take the lead in pressing with utmost vigour the necessity for a new international currencies arrangement.

I believe the minister is living in a paradise of some sort if he thinks the measures taken to get us out of recent crises can be regarded as satisfactory over the long term without more permanent arrangements, or if he thinks for a moment that the dollar, and therefore the Canadian economy, can escape the possible ramifications of this crisis.

Let me repeat the need for immediate further action for more permanent arrangements, recognizing the instability of the present situation and the efforts to, in fact, stabilize the international monetary situation.

Mr. David Lewis (York South): Mr. Speaker, I think the minister would be the first to agree that his report told us nothing we have not already read in the newspapers, and that the hope expressed in the report is entirely ill-founded; that the situation has not improved, that the crisis has not ended and that the foundation has been laid for further crises, particularly in respect of the British pound and probably the French franc and the German mark.

As the Leader of the Opposition has said, we have experienced three serious international monetary crises in the last year in respect of the British pound, the United States dollar and the French franc. None of the steps taken or being taken have solved or gone any distance toward solving this international problem.

I want us to note that the results of these discussions have been not only austerity measures in France but serious austerity measures in Britain. I do not say that the Canadian government is responsible or that the Minister of Finance alone could do anything to solve this problem, but as one citizen of the world I am fed up to the teeth by the fact that the entire world can be set on its ear partly by the unscrupulous gambling of speculators and partly because of other reasons which I realize are there.

It is time the international community took steps to stop this speculation on the international monetary markets even if it should mean closing the various markets on which currencies can be bought and sold, except for the legitimate purposes of trading and tourist travelling. I suggest it is time that a country like Canada took that kind of initiative at the International Monetary Fund, at the World Bank and at all these international meetings of ministers of finance. It is just shameful that this dark and dusty corner of international monetary gambling should be able to trap the world and its policies.

Second, I suggest it is time we in this country in particular took the initiative and started discussions to end the pegged rates of the various currencies. The other day when the hon. member for Regina East (Mr. Burton) asked the Prime Minister whether the government would not consider a floating exchange rate, the Prime Minister's irritating way of answering it, as with some other questions, was simply "Heavens, no." That may be a nice undergraduate answer, but it certainly does not deal with a very serious problem.

The fact is that this pegging of the various currency rates across the world is the equivalent of the gold standard in principle. We

have been in exactly the same position in the last ten years as we were years ago in the days of the gold standard, when every currency was pegged to gold and then pegged to each other by gold. Now every currency is pegged to the U.S. dollar and pegged to each other by the U.S. dollar. Precisely the same stagnation, the same strait-jacket has been created in the international monetary system by this arrangement as was the case when we had the gold standard across the world. It is time the Prime Minister, instead of saying "Heavens, no", said "Heavens, yes; I am going to start thinking about this problem." It is time this government took the initiative in international monetary arrangements of one sort or another to open up the thinking of the bankers and some of the businessmen toward considering a floating exchange rate system rather than a pegged one.

• (2:50 p.m.)

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to comment briefly on the statement of the hon. Minister of Finance and say at the start that I cannot understand why it is that when there are such monetary crises just about everywhere in the world—we have seen many of them in the last few months and even in the last few years—the Canadian government, in co-operation with the other governments, does not appoint a royal commission of inquiry to look into the situation and report after a few months or even a few years to solve the problems which are submitted to it. That is what happens when there are internal problems, but when human beings are to be safeguarded, a situation improved, a commission of inquiry is appointed which reports after a few years, when it is realized that it is too late.

The Canadian government has just put at the disposal of the German mark and the French franc an amount of $100 million in order to save the currency that is in danger. I feel the same steps should be taken to remedy the situation in Canada for, with regard to our internal affairs and the human being in Canada, especially in the field of unemployment, families, citizens, serious danger exists although there does not seem to be any corncern about what goes on here. I feel the same speed should be applied to solving our own problems and taking better care of human beings, instead of money and the monetary system.

[*English*]

REGIONAL DEVELOPMENT

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. J. B. Morison (Halton-Wentworth) moved that the first report of the standing committee on regional development presented to the house on Thursday, November 21, 1968, be concurred in.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

*INVESTIGATION OF RADIO STATION CKGM, MONTREAL

Question No. 409—**Mr. Valade:**

1. Has the Prime Minister or any other member of the government requested the Canadian Radio-Television Commission to investigate and report on whether the improper and injurious statements made by Pat Burns on radio station C.K.G.M. of Montreal over the last several years with regard to French Canadians and the public in general are contrary to Sections 2b and 2g (iv) of Part I of the "Broadcasting Act of Canada" or any other Section of the Law passed by Parliament on March 7, 1968 and, if not, is it the intention to request such an investigation?

2. Does the government intend to exercise its authority under Section 22 (1), a (iii), to cancel operating licence of radio station C.K.G.M., if, after investigation and report by the Canadian Radio-Television Commission or public hearing under Section 19(2) (c) of the Broadcasting Act, it is established that this radio station and its commentator have acted contrary to the intent and purposes of the Canadian Broadcasting Act?

[*Translation*]

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): The Prime Minister and the Secretary of State have given me the following answers: 1. No, and it is not proposed to ask for such an inquiry.

2. Section 22(1)(a)(iii) of the Broadcasting Act does not authorize the government to cancel broadcasting licences. If the government receives a report from the C.R.T.C. showing an infringement of the law, the government will assume its responsibilities.

[*English*]

LOW INTEREST LOANS TO MUNICIPALITIES

Question No. 446—**Mr. Rose:**

Has the government given any consideration to making low interest loans available to municipalities in co-operation with the provinces to assist municipalities in their intermediate term capital expenditure programs?

Questions

Hon. E. J. Benson (Minister of Finance): The government of Canada is constantly considering the growing requirements for social and development capital at all levels in the Canadian economy. Municipal needs are balanced against those of the private sector and other governments and agencies, by a competitive capital market. At present the federal government is making every effort consistent with its responsibilities to limit its own demands on the market and thus to assist in improving the access of other public and private borrowers.

BULK CARRIER TERMINAL DEVELOPMENT, DIGBY, N.S.

Question No. 482—**Mr. Comeau:**

1. Has the government recognized the potential of the Port of Digby for development as a bulk carrier terminal, and (a) if not, for what reason (b) if so, what action is the government initiating for the development of such a project?

2. Is it the intention of the government to incorporate this development with the proposed harbour improvements as concerns the Digby-Saint John Ferry?

Hon. Paul Hellyer (Minister of Transport): 1 and 2. Continuing review of requirements for port development in all Canadian harbours is a responsibility of the various agencies under the Minister of Transport, including evaluation of requirements and appropriate locations for bulk carrier terminals, and including also evaluation of specific requests which may be received from shipping or harbour interests in this connection. There is, however, no current special study underway with regard to the port of Digby, apart from the general consideration of possible bulk carrier terminal requirements in the Atlantic provinces.

POST OFFICE FACILITIES, TORONTO

Question No. 566—**Mr. Robinson:**

1. How many post office buildings are there in Metropolitan Toronto?

2. How many sub-post offices are there in Metropolitan Toronto?

3. How many outlets are there in Metropolitan Toronto for the (a) sale of stamps (b) sale of postal money-orders (c) postal banking?

4. How many post offices and sub-post offices and outlets for post office purposes are there in the constituency of Lakeshore and where are they located?

Hon. Eric W. Kierans (Postmaster General): 1. 44.

2. 334.

[Mr. Rose.]

3. (a) Outlets for sale of stamps, 1500; (b) Money orders, 369; (c) Banking, 50.

4. There are two postal stations: Station "N" at 2930 Lakeshore Blvd. W.; Station "U" at 935 The Queensway. Sixteen sub post offices located as follows: Long Branch, 3432 Lakeshore Blvd. W.; Mimico, 58A Mimico Ave.; Mimico Beach, 2422 Lakeshore Blvd. W.; Sub 44, 264 Browns Line; Sub 161, 3146 Lakeshore Blvd. W.; Sub 170, 3801 Lakeshore Blvd. W.; Sub 171, 851 Browns Line; Sub 190, 512 Evans Ave.; Sub 197, 94 Royal York Rd.; Sub 201, 418 Horner Ave.; Hollywood, 1170 The Queensway; North Mimico, 378 Royal York Rd.; Queensway, 751 The Queensway; Sub 189, 3379 Bloor St. W.; Sub 196, 662 The Queensway; Sub 204, 136 Islington Ave. S. Two government owned stamp vending machines located at: Station "N", 2930 Lakeshore Blvd. W.; Station "U", 935 The Queensway. Twelve privately owned stamp vending machines located at: Beach Motel, 2133 Lakeshore Blvd. W.; B. & J. Variety, 2045 Lakeshore Blvd. W.; Chanceller Motel, 2125 Lakeshore Blvd. W.; Hillcrest Motel, 2143 Lakeshore Blvd. W.; Hubbell's Variety, 3541 Lakeshore Blvd. W.; Michael's Variety, 3216 Lakeshore Blvd. W.; Shore Breeze Motel, 2175 Lakeshore Blvd. W.; Silvermoon Motel, 2157 Lakeshore Blvd. W.; Sunnyside Motel, 2002 Lakeshore Blvd. W.; Taylor's Smoke Shop, 2350 Lakeshore Blvd. W.; Don Russell Drugs, 827 Lakeshore Road W.; Mac's Milk, 2316 Lakeshore Blvd. W. Thirty two permits to sell postage stamps as follows: Aldvino, F., 372 Royal York Rd.; Donsley, G., 2310 Lakeshore Blvd. W.; Franchetto, P., 1138 Lakeshore Rd. W.; Ironside, I., 826 Lakeshore Rd. W.; Knaggs, R. W., 1357 Lakeshore Road W.; Moore, E., 1141 Lakeshore Road W.; Moore, M. (Mrs.), 1413 Lakeshore Rd. W.; McLennan, I. N., 3832A Bloor St. W.; Neal, Geo., 953 Lakeshore Rd.; Podolak, K., 860 Browns Line; Tamblyn Drug Store, 851 Lakeshore Rd.; Wand, M., 1277 Lakeshore Rd.; Warren, Mrs., 624 The Queensway; White, T., 178 Browns Line; Darby, H. M., 237 Parklawn Rd.; Ferenc, S., 16 Royal York Rd.; Mainprize, R. A., 2946 Bloor St. W.; Reiken, R., 3358 Dundas St. W.; Seal, R. A., 844 The Queensway; Smith, S. E., 816 The Queensway; Tamblyn Drug Store, 798 Lakeshore Rd.; United Cigar Store, 3018 Bloor St. W.; Vogelman, E., 863 Lakeshore Rd.; Wallace, J. R., 1217 Lakeshore Rd.; Wall's Variety, 653 Royal York Rd.; Vernon Drugs, 3081 Bloor St. W.; Town Variety, 2427 Lakeshore Blvd. W.; Rakowsky, S., 250 Browns Line;

Szafranski, J., 79-40th St.; Alamonte Hotel, 1072 Lakeshore Blvd. W.; Chomik, M., 857 Lakeshore Blvd. W.; Johnnies Confectionery, 1358 Lakeshore Blvd. W.

NEW HANGAR SPACE, HALIFAX AIRPORT

Question No. 598—**Mr. Forrestall:**

1. Is it the intention of Air Canada to build new hangar space at the Halifax International Airport?

2. If so (a) when, and at what estimated cost, and (b) for what purpose?

Hon. Paul Hellyer (Minister of Transport): The management of Air Canada advises as follows: 1. No.

2. Not applicable.

MIGRATION TO AND FROM ATLANTIC PROVINCES

Question No. 611—**Mr. Robinson:**

1. How many people from (a) Prince Edward Island (b) Nova Scotia (c) New Brunswick (d) Newfoundland, have emigrated to other parts of Canada in the years 1960-68 respectively?

2. How many people from the rest of Canada have immigrated to (a) Prince Edward Island (b) Nova Scotia (c) New Brunswick (d) Newfoundland, in each of the years 1960-68 respectively?

3. How many immigrants have settled in (a) Prince Edward Island (b) Nova Scotia (c) New Brunswick (d) Newfoundland, in each of the years 1960-68 respectively?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The Dominion Bureau of Statistics reports that: There are no actual counts of people moving from one province to another within a given year. However, estimates have been prepared based on the movements of families in receipt of family allowance payments, i.e., families having at least one child under 16 years of age. The duration of the move is unknown so that the same persons may be included in both the "to" and "from" estimates, possibly more than once.

It should be noted, also, that the movers "to" a given Atlantic province include movers from the remaining Atlantic provinces as well as from the rest of Canada. Likewise, the movement "from" an Atlantic province includes those moving to the other Atlantic provinces as well as to the rest of Canada.

1. Estimated interprovincial migrants from (a) Prince Edward Island (b) Nova Scotia (c) New Brunswick and (d) Newfoundland, for the years 1960 to 1968:

Year	(a) From Prince Edward Island	(b) From Nova Scotia	(c) From New Brunswick	(d) From Newfoundland
1960	3,600	25,000	19,300	6,700
1961	3,200	25,100	19,100	5,800
1962	4,700	28,800	16,400	7,600
1963	4,400	29,900	24,700	9,500
1964	4,600	29,700	23,300	11,200
1965	5,300	34,700	25,700	12,700
1966	5,000	33,900	27,500	13,300
1967	4,100	30,300	22,900	12,000
1968	*	*	*	*

* Not yet available.

2. Estimated interprovincial migrants to (a) Prince Edward Island (b) Nova Scotia (c) New Brunswick and (d) Newfoundland, for the years 1960 to 1968:

Year	(a) To Prince Edward Island	(b) To Nova Scotia	(c) To New Brunswick	(d) To Newfoundland
1960	3,600	22,100	19,300	6,100
1961	3,500	25,200	19,200	6,000
1962	4,200	22,600	13,800	6,500
1963	4,100	22,700	18,600	7,400
1964	3,500	22,100	19,500	7,100
1965	3,900	23,400	22,300	8,300
1966	4,100	25,600	22,000	9,100
1967	4,100	27,000	22,700	10,000
1968	*	*	*	*

* Not yet available.

3. Immigrants who were destined to (a) Prince Edward Island (b) Nova Scotia (c) New Brunswick and (d) Newfoundland, for the years 1960 to 1968:

Year	(a) Prince Edward Island	(b) Nova Scotia	(c) New Brunswick	(d) Newfoundland
1960	83	1,210	634	306
1961	69	901	770	365
1962	77	989	944	378
1963	78	1,198	769	349
1964	79	1,189	696	445
1965	137	1,612	1,074	604
1966	141	2,084	1,283	805
1967	147	2,406	1,322	984
1968*	72	721	338	400

* January to June in 1968.

Questions

DISPOSAL TIME FOR SHACK TENTS, NATIONAL PARKS

Question No. 621—**Mr. Diefenbaker:**

1. What period of time was made available to (a) the Riding Mountain National Park (b) the Prince Albert National Park within which to dispose of shack tents?

2. If different periods were provided for, what was the reason for the differentiation in terms?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. (a) There are no shack tents in Riding Mountain national park. The portable cabin owners have, to date, not received any official notification that they will be required to vacate the land presently occupied by their summer cabins, because the Wasagaming townsite development plan has not as yet been finalized and approved. (b) In Prince Albert national park, the shack tent owners were told in August, 1967, that shack tents would eventually be phased out as part of the overall development plan for the park. Present permit holders or their spouses will still be allowed to renew their permits every year. However, as of the 1968 season, no new permits have been issued to those who did not hold a valid permit for the 1967 camping season. Portable cabin owners in Prince Albert national park have been given until 1970 before the same policy will go into effect for portable cabins.

2. No differentiation in terms or time periods for the phasing out of portable cabins has been made between the two parks.

It is expected that the development plan for Riding Mountain national park will be completed by 1970 at which time the same policy with respect to portable cabins will be applied at both parks.

NATIONAL PARKS EXPENDITURES

Question No. 633—**Mr. Fortin:**

1. By province, what amount of money has been spent each year on federal parks?

2. At what stage are the discussions with Quebec authorities concerning the establishment of federal parks in Quebec?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. The amount of money spent each year on national parks from April 1, 1960 to March 31, 1965 is as follows:

	($000's) 1959-60	($000's) 1960-61	($000's) 1961-62	($000's) 1962-63	($000's) 1963-64	($000's) 1964-65
Newfoundland	727.2	600.0	995.5	599.4	834.2	1,041.8
Nova Scotia	1,946.6	1,921.0	1,574.0	929.2	730.3	836.7
New Brunswick	620.6	605.2	629.2	834.9	595.2	672.5
Prince Edward Island	1,002.3	1,432.8	843.9	525.2	544.8	752.7
Ontario	344.6	359.4	395.7	428.1	416.2	386.1
Manitoba	854.2	1,037.4	1,662.5	1,179.6	1,308.1	967.5
Saskatchewan	961.3	978.4	1,164.8	1,220.8	1,206.2	927.2
Alberta	11,000.6	9,747.1	11,036.7	10,365.5	8,161.9	8,887.9
British Columbia	5,067.3	3,596.8	5,002.9	3,597.7	3,279.3	3,637.0

2. Discussions with Quebec authorities concerning the establishment of federal parks in Quebec are continuing between officials of the Department of Indian Affairs and Northern Development, and officials of the Quebec ministry of tourism, fish and game. These discussions concern the outline of what would be an agreement between the two governments for the establishment of national parks in the province.

QUEBEC FISH EXPORTS

Question No. 650—**Mr. Matte:**

What amount of fish products from Quebec is exported (a) to other provinces of Canada (b) to other countries?

[Mr. Pepin.]

[*Translation*]

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): (a) The Dominion Bureau of Statistics does not compile statistics on products exported from one province to other provinces of Canada.

(b) The amount of fish products exported from Quebec to other countries was: 501,156 cwt. for the year 1967; 317,415 cwt. for the period January to September, 1968, (latest statistics available).

[*English*]

ARMED FORCES PERSONNEL

Question No. 666—**Mr. Matte:**

1. What is the total number of military personnel in the three branches of the Armed Forces and, of

these, how many have declared themselves to be French-Canadians?

2. How many service men are stationed in Quebec?

3. How many service men were stationed in Quebec in 1960, 1961, 1962, 1963, 1964, 1965, 1966 and 1967?

[*Translation*]

Mr. David Groos (Parliamentary Secretary to Minister of National Defence): 1. As of September 30, 1968: Sea, 17,560; Land, 38,699; Air, 43,073. On enrolment a recruit is not required to declare his racial origin other than by stating where his father was born. Although there are no readily available records maintained on the subject of languages, on enrolment the following stated French was their principal language: Sea, 1,558; Land, 7,000; Air, 7,164.

2. As of September 30, 1968, 9,036.

3. As of September 30, 1960, 13,641; 1961, 13,897; 1962, 14,161; 1963, 12,915; 1964, 11,326; 1965, 10,593; 1966, 10,148; 1967, 10,796.

[*English*]

DEFENCE RESEARCH BOARD ACTIVITIES

Question No. 684—**Mr. MacLean:**

1. Is it the intention of the government to close some of the eight research stations of the Defence Research Board?

2. Does government policy require changes in the direction of the activities of the Defence Research Board and, if so, what changes are contemplated?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): 1. No.

2. Changes in the direction of the activities of the Defence Research Board, in common with all other public services, are planned and made from time to time to meet changing situations and requirements. Such changes are usually conditioned by security considerations which affect defence planning.

POST OFFICE CHANGES

Question No. 701—**Mr. McCutcheon:**

1. Under the new reorganization of postal services, how many small post offices will be closed in each province?

2. At what locations?

3. How many rural routes will be affected?

4. How many post office enlargements are visualized?

5. How many new post office buildings are planned and at what locations?

Hon. Eric W. Kierans (Postmaster General): 1. Approximately 3,500 post offices meet the basic criteria for closing under the newly established policy. Each of these offices will have to be examined individually and the decision with respect to closing will be based on this individual survey. It is not possible at this time to state how many closings will actually take place.

2. See answer to question 1.

3. The rural routes to be affected will, of course, be dependent not only on the number of offices closed but on the particular office closed. Consequently, no indication can be given at this time as to how many rural routes will be affected.

4. Assuming that the enlargement of the post office is the result of the program for the closing of other small post offices, it cannot be stated at this time how many such enlargements will be necessary as such would depend on the number and location of the post offices which are actually closed.

5. See answer to question 4.

MAINTENANCE OF V.I.P. HOUSE, OTTAWA

Question No. 706—**Mr. McIntosh:**

1. What was the total cost in each of the years 1967 and 1968 to date for the operation and maintenance of the V.I.P. house on Sussex Street?

2. What salary and allowances have been paid to Mrs. Blair in each of the said years?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. Fiscal year 1967/68, $18,580; April 1 to October 31/68, $6,541.

2. Fiscal year 1967/68, $8,083; April 1 to October 31/68, $5,251.

CENTENNIAL MEDALS TO MEMBERS OF MILITIA

Question No. 737—**Mr. Robinson:**

1. What were the terms of reference in awarding Centennial Medals to members of the Militia?

2. Who made the recommendation and/or decision as to who would receive Centennial Medals in the Militia in each military district and/or region?

3. How many Centennial Medals were awarded to members of the Militia (a) Officers (b) non-Commanding Officers (c) men?

4. What was the allotment of medals to each Militia Unit to (a) Officers (b) non-commanding Officers (c) men?

5. Were any Centennial Medals awarded to Militia men as follows (a) Honourary Colonels of Units and, if so, how many and to whom (b) Honourary Lieutenant Colonels of Units and, if so, how many and to whom (c) Militia Advisors and, if so, how many and to whom (d) Commanding Officers of Units and, if so, how many and to whom (e) Officers Commanding Units, Sub-Units, Pools and, if so, how many and to whom (f) Militia Personnel Officers and, if so, how many and to whom (g) Militia Information Officers and if so, how many

and to whom (h) retired (i) Officers (ii) non-Commanding Officers (iii) men and, if so, how many and to whom?

6. What is the rank, name and address of each of the recipients of Centennial Medals in the Militia?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): 1. Devotion to duty, an exemplary conduct record, and at least six years' service. Less preference was given to those already in possession of the Queen Elizabeth II Coronation Medal.

2. An allocation of Centennial Medals was made to each major command and to Canadian forces headquarters in the case of other units. Based on unit allocations, units recommended officers and men to receive the medal, and all recommendations were subject to the concurrence of the officer commanding the command. If the commander considered that the unit commander should be included in the list, he had the prerogative of doing so. There was no automatic award of the medal to any group within the Canadian forces irrespective of rank or appointment.

3. (a) 195; (b) and (c) 1,302.

4, 5 and 6. The information requested is not readily available. However, files are being searched, lists are being compiled and the information requested will be tabled when complete.

SALARY INCREASES, CAMP VALCARTIER PERSONNEL

Question No. 741—**Mr. Godin:**

When can the civilian employees working for the Department of National Defence at Camp Valcartier expect to receive the salary increase granted them in 1966?

[*Translation*]

Mr. David Groos (Parliamentary Secretary to Minister of National Defence): The only civilian employees working for the Department of National Defence at Camp Valcartier who have not received a salary increase since 1966 are those members of bargaining units for which agreements have not yet, or have just recently been negotiated. The majority of these employees are in the General Labour and Trades or the General Services Occupational Groups. The General Labour and Trades agreement was signed on 27 September and conversion action is underway. The General Services Occupational agreement is still under negotiation. Usually salary increases are paid within ninety days of the signing of an agreement.

[Mr. Robinson.]

[*English*]

THETFORD MINES ARMOURY

Question No. 743—**Mr. Dumont:**

1. What was the purchase price of the armoury at Thetford Mines?

2. When will repair and restoration operations be carried out at the armoury at Thetford Mines?

3. How many soldiers are attached to this armoury?

[*Translation*]

Mr. David Groos (Parliamentary Secretary to Minister of National Defence): 1. The building was purchased by the Department of Public Works in 1903 for $7,530.00. It was used as a Post Office until 1950, when it was loaned to the Department of National Defence for use as an armoury. In 1958 responsibility for operation and maintenance of the building was transferred to the Department of National Defence.

2. Not at this time.

3. Four officers and 50 men.

[*English*]

CANADA SAFETY COUNCIL

Question No. 745—**Mr. Matte:**

1. Under what department is the Canada Safety Council?

2. Does the Canada Safety Council work with the department of transportation and communication of Quebec and, if so, in what way?

[*Translation*]

Hon. John Munro (Minister of National Health and Welfare): 1. The Canada Safety Council is a non-governmental organization which officially came into being on September 16, 1968, and as such is not responsible to any department of government. It was formed through the amalgamation of the Canadian Highway Safety Council, the National Safety League of Canada and the Canadian Industrial Safety Association.

To fulfill its role in safety, the Canada Safety Council will be dealing with the Federal Government Departments of National Health and Welfare, Labour, Transport, Justice, Industry, Consumer and Corporate Affairs, National Defence, Agriculture and also the National Film Board, the Canadian Broadcasting Corporation, National Research Council and the Dominion Bureau of Statistics. The Department of National Health and Welfare provided a grant of $45,000 to the Canadian Highway Safety Council in each of the fiscal years 1967-68 and 1968-69.

2. Yes, the Canada Safety Council works with the Department of Transport and Communications in Quebec as it does with sim-

ilar departments in all provinces. This work involves promotion and co-ordination of safety programs, making recommendations for safety legislation, and maintaining touch with safety research conducted by the provincial departments.

[*English*]

MOUNTED POLICE AT CANADIAN AIRPORTS

Question No. 770—**Mr. Muir (Cape Breton-The Sydneys):**

How many members of the Royal Canadian Mounted Police are stationed at each airport in Canada and what is the rank of each?

Hon. G. J. McIlraith (Solicitor General): Ottawa airport: 6, 1 sergeant, 5 constables; Montreal airport: 21, 1 staff sergeant, 2 sergeants, 3 corporals, 15 constables; Winnipeg airport: 1, 1 sergeant; Vancouver airport: 14, 1 sergeant, 2 corporals, 11 constables; Halifax airport: 1, 1 corporal; Edmonton airport: 1, 1 corporal; Calgary airport: 1, 1 constable; Toronto airport: 26, 1 sergeant, 5 corporals, 20 constables.

QUESTION PASSED AS ORDER FOR RETURN

FEDERAL SUPERANNUATION FUND

Question No. 433—**Mr. Coates:**

1. In what year was a superannuation plan introduced for employees of the Government of Canada, excluding RCMP and military and before being transferred to consolidated revenue how was this plan administered by the federal government and in what year was the pension fund transferred to consolidated revenue?

2. What have been the graduated rates of interest paid the fund by the federal government and what is the present rate of interest paid the fund by the government?

3. What were employee contributions to the pension fund for each year since the plan's introduction and what is the total amount of all employee payroll deductions for pension purposes since the plan's introduction?

4. Has the federal government at any time contributed to the fund as is the case in private industry?

5. What were pension payments from the fund for each of the years since the plan's introduction?

6. Has the federal government at any time invested any or all of the monies resting in the Civil Servant's pension fund?

7. How much money would the pension fund have earned if, from its inception, all contributions had been invested in Canada Savings Bonds?

8. How many Public Servants are now in receipt of pensions from the fund and what is the amount of the average pension?

9. Have any of the public service alliances or the government made studies contrasting the federal plan with similar plans in private industry and, if so, is there any disparity between the government sponsored plan and private industrial plans?

Return tabled.

FINANCE

INQUIRIES AS TO MEETING ON INTERNATIONAL MONETARY CRISIS

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Finance a question for some clarification. Am I correct in believing, in view of the statement tabled by the Minister of Finance in the house today, that the government of Canada and members of the Group of Ten did not receive any specific assurances from the government of France as to what action that government would take with a view to meeting its currency and exchange problem?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, many matters were discussed at the meeting. I do not feel free to indicate what matters were discussed. I think my hon. friend should know, from looking at the communiqué I passed to him, that no mention of specific action by the French government is made in that communiqué. While I am on my feet I should like to correct an impression left by the hon. member that I was in Brazil. I have never been in South America in my life. He mentioned something in his statement about my coming back from Brazil.

Mr. Stanfield: I was so glad to see the minister back; I am sorry if I was a bit confused. I should like to ask the Minister of Finance through you, sir, what steps Canada is taking to urge a meeting at the earliest possible date of the countries concerned to make more satisfactory arrangements for the strengthening of international currencies and any possible readjustments which may be necessary. Does the government of Canada propose to take any initiatives, or is the government satisfied to let things go on as they are for the time being?

Mr. Benson: Canada, as my hon. friend knows, is a member of the Group of Ten. The Group of Ten meets from time to time, and I am sure as the situation develops we will take our full part in any discussions which the group may deem necessary under the circumstances.

Mr. Max Saltsman (Waterloo): I should like to direct a supplementary question to the

Minister of Finance, and ask him whether during the discussions of the Ten the question of a Bretton type meeting was discussed, with a view to calling the Ten together to put some order into the chaos that exists in financial markets.

Mr. Benson: As I indicated in my statement earlier reports from the financial markets in Europe, which have now been closed for the day, and from those in Canada and the United States have been very encouraging. With regard to discussions which took place within the Group of Ten when we met together, I feel I am not at liberty to make any more disclosures than were made in the communiqué. These meetings are confidential, and a communiqué is issued which is agreed upon by everyone there.

Mr. Saltsman: I am wondering whether the Minister of Finance has seen a report that the president-elect of the United States has been advised to seek a meeting along the lines of the Bretton Woods meeting. I should like to ask the minister whether he will support this position in view of the urgent situation facing the world's currencies.

Mr. Benson: Without agreeing that urgency still exists with regard to the world's currencies, I may say that I have not seen the report referred to by the hon. member. I am sure as soon as we have seen it the government will give it due consideration, as well as any requests that may come from the United States in this regard.

Hon. Marcel Lambert (Edmonton West): I have a supplementary question, Mr. Speaker. Will the minister seek an early meeting with the United States to see whether the ceiling imposed on Canada's holdings of United States currency and investments can be increased in order to increase Canada's options, either independently or in co-ordination with its fiscal allies during this financial crisis?

Mr. Benson: As I mentioned previously in the house, this matter is under discussion between officials of the government of Canada and of the United States treasury at the present time.

Hon. D. S. Harkness (Calgary Centre): I have a supplementary question, Mr. Speaker. I should like to ask the minister whether he gave any assurance that a further contribution by Canada would be available if required in order to meet the present monetary crisis.

[Mr. Saltsman.]

Mr. Benson: Mr. Speaker, the meetings were held during a monetary crisis in which the exchange markets were closed. They have now been reopened, as my hon. friend knows, and I have reported on the activity therein. I may say the government of Canada has made no additional commitments within the group beyond its normal commitments to the International Monetary Fund and so on.

Right Hon. J. G. Diefenbaker (Prince Albert): I should like to ask the minister whether in view of Canada's position, being more or less dissociated from the other nine, consideration has been given to extending an invitation to a monetary conference which would consider the revision of GATT, inasmuch as its present provisions prevent the imposition of import and export controls by the member countries. Does the minister not think Canada is in a position to extend an invitation of this kind, which would be widely welcomed?

Mr. Benson: First I should like to indicate that Canada is not dissociated from the other nine. We feel we are an active part of the Group of Ten, and we shall continue to play our full part within this group. With regard to the second question raised by the right hon. gentleman, the matter of the revision of GATT, meetings go on continuously at the official level concerning this organization. If undue barriers are being placed against the goods from any country, that country can of course make representations to GATT and subsequently, as the right hon. gentleman knows, there has to be a hearing in this regard.

Mr. Diefenbaker: The word "dissociated" was not perhaps the best word to have used, but it was the one which was used in the press in connection with Canada's position; Canada's contribution of $100 million in a $2 billion arrangement was almost one of dissociation. My question was, will any invitation be extended by Canada in connection with the convening of a monetary conference so that a repetition of the series of difficulties which have arisen over the past year may be obviated if not entirely avoided?

Mr. Benson: I am very surprised to hear the right hon. gentleman say "What is $100 million?"

Mr. Diefenbaker: I did not say that. That is the way in which the hon. gentleman has misinterpreted me.

Mr. Benson: After all, the central bankers in the Group of Ten decided at their meeting that this would be an appropriate commitment for Canada to make within the over-all guarantee. As to the second question, as the right hon. gentleman knows Herr Schiller of West Germany is chairman of the Group of Ten which will meet from time to time, and I am sure if there is a serious change in events or if it is deemed necessary to call another meeting in the near future because of future developments, Canada will play its full part as it has always done.

Mr. Diefenbaker: That is just repetition.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to put a question to the hon. Minister of Finance.

In view of the current difficult situation with regard to the franc, the pound sterling, and the dollar, does the government intend to pass legislation which would lead eventually to control the prices and salaries?

[*English*]

Mr. Benson: No, Mr. Speaker.

NATIONAL DEFENCE

NATO—INQUIRIES RESPECTING CANADIAN COMMITMENT

On the orders of the day:

Mr. David Lewis (York South): I should like to direct a question to the Prime Minister; I asked one on a similar subject in another field the other day. Does the statement made or reported to have been made by the Postmaster General with regard to NATO and the possible desirability of Canada withdrawing from that organization in order to make available a peace keeping force in Viet Nam, and so on, represent government policy?

Right Hon. P.-E. Trudeau (Prime Minister): I only saw the newspaper report of this, but it is my impression that the Postmaster General was taking into account, as all ministers do, that this whole policy is under review, and he found it useful to offer suggestions for thinking to the Canadian people.

An hon. Member: Flying kites.

Mr. Lewis: If it is necessary to offer suggestions for the thinking of the Canadian people, would the Prime Minister consider that ministers, particularly he and the Secretary of State for External Affairs, might give this parliament some of their ideas during the course of this review so that members of this house could offer some ideas to assist the government in its appraisal of policy?

Mr. Trudeau: Members of this house would be very welcome to do this when the estimates of the minister are up for debate.

Hon. J. A. MacLean (Malpeque): I have a question for the Minister of National Defence, but I should like to take this opportunity to welcome him back to the house.

Some hon. Members: Hear, hear.

Mr. MacLean: With regard to commitments made to our NATO allies, for example, that there would be no reduction in the strength of our air division, would the minister say for what period these commitments will be firm?

Hon. Léo Cadieux (Minister of National Defence): These commitments will have to be confirmed at the January meeting. The meeting which took place last week was an anticipatory meeting expressing the reaction of members to the Czechoslovak crisis. The undertakings which were given then by member states of the alliance will have to be confirmed at the next meeting of ministers.

Mr. MacLean: Can the minister make any statement now as to the length of time during which they will be firm?

Mr. Cadieux (Labelle): They will be firm for a period of one year, which is the customary period.

Mr. MacLean: I would ask the minister whether at the Brussels meeting he agreed that the four destroyer escorts now under construction would be committed by Canada to NATO, and whether there was any further suggestion that they should be committed to service in the Mediterranean rather than for service with SACLANT as is usual.

Mr. Cadieux (Labelle): These four destroyers were earmarked for NATO two years ago under what is called the defence plan. As they become available they would be assigned, and this calls for a decision which will have to be taken at the time. There was never any suggestion from me or, I am sure, from the Secretary of State for External Affairs that these ships would be involved in any operation in the Mediterranean.

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to ask the minister

of defence whether the current review of defence policy is leading to a new white paper on defence which the minister will be presenting to the house before any actual revision of defence policy is made by the government.

Mr. Cadieux (Labelle): That will have to be a collective decision of cabinet.

[*Later:*]

Hon. D. S. Harkness (Calgary Centre): Mr. Speaker, I wish to direct a question to the Minister of National Defence. Did the Postmaster General consult with the minister before enunciating his own defence policy for Canada?

Mr. Speaker: Order, please. This matter was raised a moment ago.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I want to ask a question of the Minister of National Defence. When he was abroad at the recent NATO meeting did he advance the idea or concept that some of the ministers of the Canadian government had in mind, that our NATO forces should be withdrawn and used as peace keeping forces in such places as Viet Nam? Did he advance such a proposition?

Mr. Cadieux (Labelle): No, Mr. Speaker. As a matter of fact I have been led to believe that what we are doing in Europe could also be called peace keeping.

Mr. Diefenbaker: That is the answer to the Postmaster General.

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I wish to direct a question to the Minister of National Defence concerning a larger role for NATO. Did the ministerial meeting held recently in Brussels discuss ways by which an east-west détente might be encouraged or facilitated?

Mr. Cadieux (Labelle): Of course it did, Mr. Speaker.

[*Later:*]

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I should like to ask the Minister of National Defence on his return from Europe whether he found any indication of a move by the Soviet union toward Yugoslavia or Roumania.

Mr. Speaker: Order, please. I doubt that this is a question which should be asked at this time.

[Mr. Stanfield.]

Mr. Rose: Mr. Speaker, I should like to congratulate the Minister of National Defence for the brevity of his answer to my question about NATO. Is the minister now in a position to be more specific about the methods by which this détente may be affected, and would he consider making a statement to the house outlining the ways in which the various NATO allies think this might be made effective by the NATO alliance?

Mr. Speaker: Order. This question is of such a wide scope that it should only be asked in the form of a suggestion that the minister might make a statement on motions.

Mr. Rose: Mr. Speaker, may I ask the Minister of National Defence whether he will make a statement on motions soon about the topic I have just raised?

Mr. Cadieux (Labelle): Mr. Speaker, I do not know that I am authorized to make a statement in the name of NATO. What we have seen in the last couple of years was an effort by NATO to encourage the United States delegation to start conversations with their counterparts in the Soviet union. This has the blessing of the alliance and I understand some preliminary discussions have taken place. I suppose this would eventually lead the alliance to further discussions with the Warsaw pact countries, but certainly a Canadian minister cannot be expected to make a statement on a subject like that in the name of NATO.

Mr. Baldwin: Mr. Speaker, I have a supplementary question.

Mr. Speaker: Order, please. I would remind hon. members that we should not have a debate on external affairs at this time. I understand there will be an opportunity for this within the next few days.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, in my supplementary question I intended to make a suggestion relating to the suggestion Your Honour has made. I should like to ask the Prime Minister, since the Minister of National Defence and the Secretary of State for External Affairs are to appear before the joint committee, whether he would arrange for the presence there of the Postmaster General so that all shades of the problem could be represented.

Mr. Trudeau: I agree, Mr. Speaker, that this type of question does not lead us anywhere.

[*Translation*]

EXTERNAL AFFAIRS

CONFERENCE OF EDUCATION MINISTERS OF FRENCH SPEAKING COUNTRIES

On the orders of the day:

Mr. Gérard Laprise (Abitibi): I should like to put a question to the right hon. Prime Minister.

Could he tells us whether he has informed the Niger government of Canada's intention, if such an intention exists, to participate in the next conference of the Ministers of Education of French-speaking countries, which is to take place in Niger soon?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, no such intention has yet been indicated, but I think an answer will be sent this week.

[*English*]

INQUIRIES OF THE MINISTRY

On the orders of the day:

Mr. Steven E. Paproski (Edmonton Centre): I should like to direct this question to the Prime Minister. Is it the policy of the government to have the task force on housing and urban development take time off from receiving briefs to appear as the featured attraction at Liberal party constituency meetings as happened last week in Edmonton?

On a question of privilege, I attended this meeting which was due to begin at ten o'clock in the morning.

Some hon. Members: Hear, hear.

Mr. Paproski: It was a very good meeting, yes. But the task force did not show up at ten o'clock in the morning; they postponed the meeting until two o'clock in the afternoon. Further to that, an advertisement appeared in the paper sponsored by the Edmonton-Strathcona Liberal Association—

Some hon. Members: Shame.

Some hon. Members: Oh, oh.

Mr. Speaker: Order. Although the hon. member may not have a question of privilege he has a grievance, and it has been properly aired.

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my question is directed to the Prime Minister. Will he advise the house of the necessity for the extraordinary accommodation that has been booked for the Commonwealth prime ministers conference in London, particularly in view of the government's alleged cut-backs in spending?

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Solicitor General. Is he aware of the fact that we on this side of the house are very glad to see him back in his place?

Mr. Barney Danson (York North): Mr. Speaker, I would like to direct a question to the right hon. Prime Minister. Can the Prime Minister tell us whether the terms of reference relating to the research funds being made available to the members of the opposition would preclude the hiring of a special assistant for the right hon. member for Prince Albert, now that Mr. Camp is available?

Some hon. Members: Oh, oh.

Mr. Diefenbaker: I don't belong to that camp.

Some hon. Members: Oh, oh.

INDUSTRY

STRIP MINING—SUGGESTED NEED FOR LEGISLATIVE REGULATION

On the orders of the day:

Mr. Randolph Harding (Kootenay West): In the absence of the Minister of Energy, Mines and Resources may I direct my question to the acting minister. Is it the intention of the government to meet with the provinces to discuss legislation covering the destructive effect of strip mining?

Hon. Arthur Laing (Minister of Public Works): Mr. Speaker, if I may I will take notice of this suggestion of the hon. member and draw it to the minister's attention.

Mr. Harding: A supplementary question, Mr. Speaker. Will the department point out to the provinces the urgent need for appropriate legislation to protect our resources from unregulated strip mining practices?

Mr. Speaker: Order, please. The hon. member has made a suggestion.

Mrs. Grace MacInnis (Vancouver-Kingsway): A supplementary question, Mr. Speaker. In view of last night's news of the avalanche of waste from that strip mining operation which has affected the trans-Canada

highway, will the minister see that action is taken to protect the interests of the travelling public in that area?

Mr. Laing (Vancouver South): Mr. Speaker, all these representations will be brought to the minister's attention.

LABOUR CONDITIONS

WINDSOR—IMPENDING LAY-OFFS AT FORD COMPANY

On the orders of the day:

Mr. H. Russell MacEwan (Central Nova): Mr. Speaker, my question is for the Minister of Labour. Can he report to the house at this time on the meetings being held between himself or the Minister of Manpower and Immigration and the representatives of the United Auto Workers regarding the lay-offs at Windsor?

Hon. Bryce S. Mackasey (Minister of Labour): Mr. Speaker, there will be the utmost degree of co-operation with representatives of the union from Windsor who will be here this afternoon to meet the various ministers concerning the changes in Windsor. We shall do our best to reduce the degree of disruption in Windsor, as well as to increase the efficiency of retraining programs in that area.

Hon. Robert L. Stanfield (Leader of the Opposition): Will the Minister of Labour, the Minister of Manpower and Immigration or the appropriate minister indicate whether the government intends to change the regulations relating to transitional assistance benefits, and thereby enable affected employees to be eligible for government assistance under this plan?

Mr. Mackasey: Mr. Speaker, this has already been done. If a worker's claim is filed before the end of the year he will be eligible for transitional benefits if he has met the other conditions.

Mr. MacEwan: A further supplementary question, Mr. Speaker. Will the Minister of Manpower and Immigration say whether, after what he said in the house last week, he will suggest to his colleagues in cabinet that legislation be brought down to provide that longer notice be required in situations similar to the one presently existing in Windsor?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, the idea is receiving consideration.

[Mrs. MacInnis (Vancouver-Kingsway).]

Mr. Max Saltsman (Waterloo): A supplementary question, Mr. Speaker. When the Minister of Labour is discussing this matter with his colleagues will he also discuss the serious problem that will be created by moving tool and die facilities out of Canada, thus creating serious unemployment among our tool and die workers?

Mr. Mackasey: Mr. Speaker, one of the results of the proposed changes in the Windsor plant may make it unnecessary to move tool and die facilities out of Windsor. The changes should have the opposite effect on the workers.

[*Later:*]

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Minister of Labour. In view of the recent benevolent action of the Ford Motor Company in laying off employees in Windsor, and forthcoming lay-offs in other parts of Canada, as well as the minister's recent statement to the effect that he would urge his cabinet colleagues to implement sections of the Freedman report, would he indicate to the house when he thinks he will be in a position to report back with regard to his colleagues' feelings on this matter?

Mr. Mackasey: Mr. Speaker, in the same speech I also pointed out my responsibility to take into consideration before making any report the Woods task force report, which should be tabled some time in December.

EXTERNAL AFFAIRS

ASSISTANCE IN REVIEW BY FORMER PRIME MINISTER

On the orders of the day:

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, my question is for the Prime Minister. Will he tell the house if Right Hon. Lester Pearson is one of those helping the government with its review of foreign affairs and defence policy?

Right Hon. P.-E. Trudeau (Prime Minister): Not on a formal basis, Mr. Speaker.

EXTERNAL AID

BIAFRA-NIGERIA—POSSIBLE RESUMPTION OF RELIEF FLIGHTS

On the orders of the day:

Mr. Andrew Brewin (Greenwood): May I direct a question to the Prime Minister. In light of the communication from Mr. Justice

Onyiuke, head of the Biafran delegation in the United States, saying that his government would agree to the daylight flights into Biafra, has the government made plans to restart the Hercules air flights? Has it considered adding to the number of aircraft available for that purpose?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I am glad to see that there is at least some indication by some authorities of the rebel held area that they are willing to consider this. But I will draw to the attention of the house that the most essential part of the suggestion was left out of the statement. The sole condition on which General Gowon insisted when saying he would authorize daylight flights was that there be an assurance from the Biafran authorities that they would not use daylight hours for arms shipments, because he did not want to confuse relief and arms flights. I see that is the precise part which has been omitted from the statement to which the hon. member refers. As long as there is no guarantee of that kind, then of course the essential part of the bargain is missing. I would add that we have been asking the International Red Cross for further news on this, and their latest report is that the Biafran authorities are still refusing to meet this one essential condition.

Mr. Brewin: A supplementary question, Mr. Speaker. May I direct the Prime Minister's attention to the eastern part of Nigeria that is occupied by federal forces. In light of the statement by the Canadian commander of our Hercules aircraft in Lagos that the Hercules was not too large to land at Enugu, Calabar, Port Harcourt and so on, and since that was the pretext for preventing the use of Hercules aircraft, will the government again discuss the matter of Hercules flights into that area with the Nigerian government?

Mr. Trudeau: Apparently there is some misunderstanding on that point. I believe the hon. member is referring to the impression of an interview in which one of our pilots said it would have been possible to land. Our information is that of course one or two landings might have been possible, but by inquiring from the Nigerian authorities we learned that the airstrips at Enugu, Calabar, Port Harcourt and so on could not take repeated landings by aircraft the size of the Hercules, and that the size and weight of the Hercules would destroy the airstrips. After all, it is the Nigerian people and their government who would be interested in having these aircraft land if they could land. Therefore we must take their advice and the advice of our own aircraft authorities on this matter.

Mr. Lorne Nystrom (Yorkton-Melville): A further supplementary question, Mr. Speaker. Can the Prime Minister inform the house whether the Canadian Caribou aircraft we were supposed to send to Nigeria for relief work have yet arrived at Lagos?

Mr. Trudeau: Mr. Speaker, I shall have to seek information on whether these Caribou have left yet.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is supplementary to the one directed a few minutes ago to the Prime Minister. I direct my question to the Minister of National Defence.

Mr. Speaker: Order, please. The hon. member must ask a new question. He may not ask a supplementary question to one that has not been accepted by the Chair.

Mr. Forrestall: I am sorry but with respect, sir, it was a question you did allow and that the Prime Minister was not able to answer. I would simply redirect it to the Minister of National Defence. Could he tell us where the Caribou are, what stage they have reached in their progress toward Nigeria?

Hon. Léo Cadieux (Minister of National Defence): I have to confess, Mr. Speaker, that this is an embarrassing question.

Mr. Forrestall: I am sorry; I thought you would know.

Mr. Cadieux (Labelle): No, no. As the hon. member knows, I was away for a week and I thought the request for these Caribou had been cancelled.

Mr. Trudeau: Mr. Speaker, I think I will be able to shed a little light on this question. I have a note here that it is the Nigerian Red Cross who had said they could not make use of the Caribou. Apparently there was subsequent information from the Nigerian authorities themselves that they would like to have the Caribou aircraft, but we indicated that our offer was through the Canadian Red Cross to the Nigerian Red Cross and not to the government of Nigeria itself. This is consistent with our position of not taking sides. We want the Red Cross to be the ones to decide whether they can or cannot use the aircraft, and we are still waiting for a reply on that.

Inquiries of the Ministry

HOUSING

LAC-LA-BICHE, ALBERTA—REQUEST FOR VISIT BY TASK FORCE

On the orders of the day:

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Prime Minister. Will he arrange for the task force on housing to visit the town of Lac-la-Biche and see at first hand the deplorable conditions of Métis Indian housing there. I shall be happy to arrange a meeting of the Progressive Conservative association, if that is a prerequisite for a visit by the task force to a rural riding.

TRADE

STEPS TO PRESERVE EXPORT MARKET IN U.K.

On the orders of the day:

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, I wish to direct a question to the Minister of Finance. In view of the serious financial problem in Great Britain and the potential loss of half our exports to that market due to that country's recently imposed restrictions on imports, can the minister say what action is being taken by the Canadian government to preserve our export markets?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, we are looking very carefully at the action taken by the British government. I have not complete information at the present time, but I understand that only about 20 per cent of our exports to Britain would be affected. However, this would not mean that they would be cut off. As I understand it they would have to be paid for in cash.

Mr. Max Saltsman (Waterloo): As a supplementary question, in view of statements that are appearing in the press indicating that half our exports to Great Britain will be affected by the British austerity measures, will the Minister of Finance seek an immediate opportunity to make a statement to allay these fears?

Mr. Benson: As I said, Mr. Speaker, my information is that only about 20 per cent of our exports would be affected. This would not mean an end to such exports. It would simply mean, as I understand the situation, that they must be paid for in cash when they arrive in Britain. As I indicated before, I am having the matter investigated further, and I will be pleased to pass on any further information.

[Mr. Trudeau.]

LABOUR CONDITIONS

PROVISION OF SUMMER EMPLOYMENT FOR UNIVERSITY STUDENTS

On the orders of the day:

Mr. Len Marchand (Kamloops-Cariboo): Mr. Speaker, I wish to direct a question to the Minister of Manpower and Immigration. I have been receiving inquiries from students in various parts of the country about employment for next summer. Could he advise the house whether his department or the government is taking any particular action to look after the employment needs of students next summer?

Mr. Speaker: Order, please. I am wondering whether this is not the type of information which the minister might consider giving at the time of motions.

PUBLIC SERVICE

LANGUAGE REQUIREMENTS RESPECTING FUTURE APPOINTMENTS AND PROMOTIONS

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wonder if I could get an answer to the question I directed to the Secretary of State last Thursday with respect to a statement made by a member of the Public Service Commission.

Mr. Robert Stanbury (Parliamentary Secretary to Secretary of State): Mr. Speaker, I have been given the following information by the Public Service Commission.

There has been no change in policy with regard to the administration of language proficiency requirements in staffing the public service. The policy which continues to be followed by the Public Service Commission is that outlined in Prime Minister Pearson's statement of April 6, 1966.

Mr. Stanfield: As a supplementary question, does this mean that the statement attributed in the press to a member of the Public Service Commission is erroneous?

Mr. Speaker: Order, please. The question as asked is not in order. The hon. gentleman knows he cannot ask if a statement in the press is correct or incorrect.

Mr. Stanfield: Mr. Speaker, I would like to put the question in such a manner that it is in order, because I think it is an important matter of public interest.

Mr. Speaker: Order, please. Perhaps we might allow the parliamentary secretary to reply to the question.

Mr. Stanbury: Well, Mr. Speaker, I have not compared these two statements, but it is apparent that the policy is as conveyed to the house through the Secretary of State today.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I wish to direct a supplementary question to the parliamentary secretary to the Secretary of State. Would the parliamentary secretary be able to obtain a transcript or the text of the remarks made by a member of the Public Service Commission and table it in this house so that a comparison can be made?

Mr. Stanfield: As a further supplementary question, in order to eliminate all possible confusion on this subject I wonder if the parliamentary secretary would consider making a statement as to what is the policy in this regard.

Mr. Benson: He just did.

Mr. Stanbury: Mr. Speaker, I would be glad to read to the house the statement that was made by the right hon. prime minister of the day, to which the Public Service Commission has referred. I think, however, perhaps the Leader of the Opposition could find that for himself. I also suggest that the person who made the remarks to which reference was made would be glad to provide the house leader of the opposition with a copy of those remarks.

NATIONAL DEFENCE

DATE OF PAYMENT OF RETROACTIVE PAY INCREASES

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, may I address a most urgent question to the Minister of National Defence. I do so at the request of many members of the armed forces. In view of the announced increase in wages to the members of the armed forces, retroactive to October 1, can the minister inform the house whether the retroactive increase will be paid by December 30 of this year, in order that they may avoid having to pay the 2 per cent surcharge next year on money earned and authorized this year?

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, I am very glad to reassure the hon. member and to tell him that this morning I insisted with the deputy minister that this be done.

Some hon. Members: Hear, hear.

Mr. J. M. Forrestall (Dartmouth-Halifax): Mr. Speaker, I wish to ask a supplementary question, and I welcome this forthright minister back to the house. Can he give the same assurance about civilians working for his department, who in many respects are faced with a much more severe situation?

Mr. Cadieux (Labelle): Actually, Mr. Speaker, most of the civilian employees of the Department of National Defence have enjoyed an increase. Some of them have not yet, and this is because their collective bargaining units with the government have not concluded negotiations. I believe there are only a few areas in which this applies.

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I wish to address a supplementary question to the Minister of National Defence. Will the minister be introducing legislation during this session of parliament or taking any other action to bring the pensions of servicemen who have retired over the last few years more in line with present pay scales?

Mr. Cadieux (Labelle): Mr. Speaker, this is being studied now. I do not know whether the study will be conducted in time for us to present it, but I really expect this could be done in the spring. Therefore we would meet the hon. member's request.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I take it that inasmuch as this study is going on with regard to retired members of the armed forces, the same study is going on with respect to retired civil servants? This question is addressed to the Minister of Finance.

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, my hon. friend knows we are continually studying the question in respect of retired civil servants.

Mr. Knowles (Winnipeg North Centre): How long does "continually" last?

IMMIGRATION

SPECIAL ENGLISH TRAINING FOR IMMIGRANT CHILDREN

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I have a question for the Minister of

Manpower and Immigration. Has the government reached a definite decision in respect of the requests for financial assistance with regard to special English training for immigrant children? If so, what is the decision?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Yes, Mr. Speaker. The decision was to confirm the previous decision taken by my predecessor.

ROYAL CANADIAN MOUNTED POLICE

REVIEW OF PENSIONS OF RETIRED PERSONNEL

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have another question for the Solicitor General. In view of the fact that the Minister of National Defence and the Minister of Finance have indicated that a review of pensions of the retired persons coming under their supervision is now under way, is the same thing being done with regard to retired members of the Royal Canadian Mounted Police?

Hon. G. J. McIlraith (Solicitor General): Mr. Speaker, I would prefer to take the question as notice in order to give a fully accurate reply.

SUPPLY

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

NATIONAL CAPITAL COMMISSION

20. Operation and maintenance, general administration and interest charges on outstanding loans that were made for the purpose of acquiring property in the national capital region, $9,500,000.

The Deputy Chairman: Revised estimates of the National Capital Commission for the fiscal year ending March 31, 1969, vote 20. This will be found at page 425 of the blue book. The details are listed at page 436.

[*Translation*]

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Chairman, before the house deals with the estimates of the National Capital Commission for 1968-69, I would like to say a few words about the work of the commission for which I have been responsible since July 12, 1968.

Over the years, the house has been kept informed about the work of the commission through its annual reports and its capital investment programs tabled in the house. The work of the commission is based for the most part on the main recommendations of the

Gréber report and is concerned with implementing the principles outlined to the house on June 28, 1948 when the National Capital Fund was set up. That fund was meant to supply the amounts needed to pay the cost of the undertakings approved by the governor in council to improve and develop the national capital. This is what the Prime Minister said at that time:

> It also, and even more, seeks to anticipate the needs of Canada's capital in the future as we believe that future will shape our country. We desire, above all else, a capital worthy of the high place that Canada holds in the world today and of the Canada that is yet to be.

The national capital program designed by Mr. Jacques Gréber, was tabled in the house in 1951. For the past 17 years, the government and the commission have amended and improved this plan. It was revised by a joint parliamentary committee which, in turn, recommended some changes. The committee report was tabled in the house on August 1, 1956. These changes, as well as the 12 years of experience in the meantime, have clearly demonstrated that the plan of a capital, like that of any other large city, has to be the continuing subject of criticism, studies and improvements.

In the meantime, the commission, by spending a great deal of time and money, had to acquire a large number of properties in order to implement the important recommendations of the plan. The period of time devoted to the acquisition of properties according to the recommendations of the plan is nearly over and the construction period is well under way. A new long term plan is being prepared in order to further improve and develop the national capital area. These new proposals will be introduced to the house in due time.

• (3:40 p.m.)

[*English*]

The commission's annual report for 1967-68, which has been tabled in the house, gives information of the commission's activities and expenditures for that year.

The estimates of the commission for 1968-69 amount to $24,500,000 for ordinary operations, interest on loans, improvements, and development within the national capital region, and $4,900,000 for loans to acquire property. These compare with $23,100,000 and $6,850,000 respectively in 1967-68. The actual expenditures for 1967-68 amounted to $21,600,000 gross. I have a detailed indication of the estimates,

and I hope this will be tabled so that hon. members will have it.

[*Translation*]

Serious consideration is now being given to the renovation of the centretown of Ottawa. Most parcels of land in the central area of the city, some belonging to the federal government, are ready to be re-developed. The commission had studies prepared on the economic prospects of the capital, with a view to establishing re-development plans to meet the needs and the prestige of the national capital.

That is one of the complex problems which holds the attention of the National Capital Commission, whose objectives are "to prepare plans for and assist in the development, conservation and improvement of the national capital region in order that the nature and character of the seat of the government of Canada may be in accordance with its national significance." Canada is a young country which, in all probability, will have a dynamic growth in the coming years. Ottawa, capital of Canada, is called to a brilliant future. Within the framework of its constitutional powers and thanks to its long experience in the field of town-planning, the commission plays a key role in the capital. Through its co-operation with the municipalities of the area, ensuring the wise use of federal properties and developing its own lands, the commission can make a valuable contribution to the expansion of the national capital. It will proceed with its town-planning work using tested techniques, allowing timely grants, encouraging general planning and the development of the lands and properties of the government, according to a long-term and flexible program.

Last year, in a speech which I delivered to the Chamber of Commerce in Hull, I noted the appreciable disproportion between the expenses made to improve the national capital—Ottawa—and those made for the improvement of the city of Hull. I wish to repeat today that the development plans of the national capital area should take into account not only the necessity of improving Hull—which is part of Ottawa on the economic as well as the social levels—but also the concern of the government to the effect that planning for the capital area in Quebec, especially in Hull, provides a just proportion of the over-all improvement proposed for the region. This planning must provide for the integration of the whole national capital area. It would be foolish to expect this undertaking to succeed while ignoring a vitally important part of the area such as the city of Hull and the rest of the area which is located in Quebec.

[*English*]

My hon. friends will no doubt be conscious of the need to plan for a fair share of the development proposed for the national capital region to be made in Hull, Quebec, which for economic and social purposes is a part of the capital. It is my understanding that plans and proposals are being proposed to that end. The Promenade des Voyageurs, a parkway proposed for the Quebec side of the Ottawa river, from Hull to Deschênes, Quebec, a distance of approximately 5 miles, is an example of the improvements proposed for Hull. I cannot speak for my colleague, the Minister of Public Works, but I know that careful consideration is being given to the probable construction soon of federal government buildings in Hull. Also new bridges linking Hull closer to Ottawa are now being considered. All these proposals will contribute largely to the betterment of economic conditions in Hull and encourage the development of Hull, not as a poor suburb of Ottawa but on a comparable and competitive basis with Ottawa.

The commission, having put under way or completed the larger part of the recommendations contained in the Gréber report, has reached an important crossroad in its planning for the region as a whole. Further, the creation of a new regional municipal authority in Ontario to absorb many of the responsibilities formerly borne by the city of Ottawa and other Ontario municipalities ought to pave the way for a much closer planning liaison between the regional council and the National Capital Commission. No doubt similar steps, if taken in the province of Quebec, would make the planning easier for that area of the national capital region. The government is deeply conscious of the need to promote to a greater extent the bilingual and bicultural aspect of the national capital region, so that it will be more truly representative of the founding peoples of this great country and, at the same time, be a living symbol of the unity and understanding which has prevailed since confederation.

I trust that these proposals will commend themselves to this committee.

Mr. Gundlock: Mr. Chairman, we on this side of the house, particularly members of this party, welcome this opportunity to discuss the estimates of the National Capital Commission. We need not remind ourselves of the

beautiful geography which this involves. Surely there is no better place in Canada than right here on parliament hill to begin this development.

I was particularly interested in the minister's suggestion that we will have a further opportunity to consider this measure. The geographical area involved takes in parts of two great provinces or the two founding nations, so to speak, which have been put together to some extent in relation to these estimates. We must remember, in being slightly critical, that it has been five years since we have had the opportunity to discuss the estimates we are considering this afternoon. We must therefore take advantage of the opportunity to put forth sincerely constructive criticism in a manner which, if not in detail, will bring to the minister's attention the situation which exists.

If I may digress for a moment, we find that with greater regularity ministers are announcing government proposals outside this house, and I refer particularly to the minister's statements in respect of the proposed developments for Hull. Certainly we are in favour of these developments. The national capital area involves two cities, a number of municipalities and two provinces. In this regard we must consider this whole situation as one involving a language of its own. It seems to me it has become increasingly the policy of the government, in particular of certain ministers, to make statements outside the house.

• (3:50 p.m.)

Because a committee has not been set up for five years, we shall ask for and in fact insist upon such a committee being set up to study these problems. It should be a broad committee. I hope these remarks will be taken by the minister as constructive criticism. A committee of the house should be immediately set up to consider these estimates in great detail. It should consist of people interested in the development of our capital city. The provinces of Ontario and Quebec and the municipalities of Ottawa and Hull are not the only ones concerned with this question. People from all walks of life and all parts of this country are deeply concerned in the matter. This is why I suggest we should make sure that the committee is a very broad one.

As I have already pointed out, for five years nothing has been done in this respect, with the very laudable exception of the national gallery. I suppose here there have been two mistakes. First, this is all that has been done in this long period of time and, second, there was the gross mistake of underestimating the cost of the national gallery. But I suppose things will work out in the end and I am not too critical of that mistake. During centennial year there were numerous functions on the lawns of parliament hill in our capital city. Here again I point out critically that in the last five years many things could have been done to culminate in centennial year. At least a committee could have been set up consisting of all the parties involved. One small matter that might have been considered by the committee is high-rise apartment buildings in Ottawa. This question has not even been properly considered. Why cannot these things be done? Why cannot this committee be set up where everybody concerned could put forward their points of view and we could listen and decide?

We read about these things in the newspapers but in the house have heard nothing about them. I suggest this is the place where these questions should be considered because we represent the whole of the country. In spite of the fact that some ministers and in fact the government itself would sometimes have us believe otherwise, this house is still the place where the people of Canada can speak.

The minister mentioned several things that have been done. I was glad to hear what he said about bridges. I was glad to hear the suggestion that a committee might study these matters. I cannot express my view too strongly that this whole question should be considered by a committee of the house. I do not refer to the one-man commission of Dr. Rowatt, I think it is, set up by the Ontario government. The federal government took part in it and took credit for it. However, I do not complain too much about that; it is probably a natural thing to do. The doctor has not yet reported, but the minister goes over to Hull and makes statements on these matters before the commission has reported. He also makes statements in the house before any committee has reported.

I suggest to you with all deference, Mr. Chairman, that statements of this kind should not be made before the commission and the committees report, because there are differences among the municipalities and, if I have to say it in so many words, there is a little distrust among them. Several prospective buildings in Hull have been mentioned. People in Eastview, Ottawa and the outlying municipalities have this distrust simply

because of a lack of knowledge and understanding of the matter. This emphasizes the fact that a committee should be set up to study these problems. Let everybody concerned have an understanding of what is involved.

The National Capital Commission and our capital city should really speak a language of their own in this country. We have the same problems. We have talked so much about them in this house in recent years, particularly last fall. These problems also concern other parts of the world. Neighbours living in the same community mistrust one another simply because of lack of understanding. If we understand one another, particularly our aims and views, I think there will no longer be any animosity. We find we have a common goal, we trust one another, and we reach that goal.

I thank the minister for his statement. I hope he will seriously consider the points that we in this party and all parties in the house have in mind. We are simply asking, and if we could we would demand it, that a broad committee be set up to undertake a detailed examination of these estimates. The minister must be aware that the commission has had a detailed report ready for two years, I understand, but no one has been able to listen to it. I think this is appalling. I refer to the commission whose estimates we are examining. The minister has said they are doing the planning; yet he goes to Hull and makes announcements there, as he does in this house, without reference to that report.

I ask that this committee be set up so we may have its ideas and recommendations. I believe this is only fair. I have tried to be sensible. I have been a little critical in order to bring forward these points. I hope the minister responsible for these matters will remember some of the points that have been raised and will take action to solve the problems that exist. I do not want to digress, Mr. Chairman, but we all have visitors from our constituencies from time to time. Constituents come here and say: Isn't the government in action wonderful? I sometimes wonder whether they are talking about one word or two words. It is time there was real action in this area on the part of the government.

Mr. Mather: Mr. Chairman, in rising to say a few words on the subject before us I am sure I feel very much like many other members of parliament in that we think of ourselves, at least in a way, as trustees of the public's money in our functions here regarding the financing of projects and works in connection with the business of the National Capital Commission. I think the business of the National Capital Commission is very much to that point. Here we are in the national capital of Canada surrounded by buildings, projects, landscaping and monuments to make it an even better capital for our country. Whether the Canadians who paid for it live in the eastern Arctic, in Frobisher Bay, away in the northeast or in my own southwestern area of Canada, in Surrey and White Rock city, they are all contributing, either in a small or in a major way, toward paying for what is being done here and for what is being planned for the national capital. I am sure we are all in favour of making it the best possible centre of its kind that we can.

• (4:00 p.m.)

I think a good deal might be said today about the outline the minister sketched for us with regard to improving the centre of the national capital and expanding the expenditure of public funds on the development of Hull as part of the national capital area. I am in favour of both these plans. My only regret is that these projects were not implemented 10 or 15 years ago when they might have been done a great deal more economically and we might have been benefiting from them during all these years.

Aside from these points I shall confine myself today to making a few criticisms regarding the situation in this area as I see it and our lack of perspective, planning and action. I should also like to reiterate the point which the previous speaker has made so well and which I and other members of our party have urged over the years. I refer to the wisdom of establishing a parliamentary committee on the national capital so that the members of this house will have a continuing and better understanding as well as an informed basis for their comments regarding what is being done with Canadian money in developing the national capital. This would enable hon. members to consult from time to time with the members of the National Capital Commission, the city of Ottawa authorities and any others who may have ideas on the improvement of Canada's national capital.

I am not quite sure whether the project I shall mention next comes under the jurisdiction of this minister but I do know that the construction of the National Centre for the Performing Arts will, according to the last figure I saw, cost between 300 and 400 per

cent above the original estimates. This is really part of our concern as parliamentarians dealing with the improvement of our national capital. The last figure I saw relating to the cost of the theatre centre was over $40 million. This means it will cost every Canadian between $2 and $3 or about $10 for every Canadian family in the country. This will be the contribution of Canadians toward the construction of a national theatre in the capital.

In Vancouver, for example, which is my general home base, we built a theatre about ten years ago for $3 million. It is a very fine theatre called the Queen Elizabeth. Frankly the reason it was called that and not the Pauline Johnson theatre was that it was felt that the name of Queen Elizabeth would attract more attention across Canada and from our friends to the south, the Americans, who may be rather intrigued by such a title for the theatre. The point I want to make is that such a theatre was built by the Vancouver people for the low cost I mentioned and it performs the same function as will the national theatre in Ottawa.

Mr. Marchand (Langelier): Mr. Chairman, if I may be allowed to make a helpful comment at this point may I say that this is not the responsibility of the commission or of my department. This was done under the Minister of Public Works.

Mr. Mather: I am sure that is the case, but if I can say another sentence or two on this general subject I will be able to relate it to the responsibility of parliamentarians in supervising the spending of money on the development of our national capital. May I say that we have some better looking penitentiaries in British Columbia than the national capital theatre.

The reason I speak on this subject now is that we think a part of the increased cost of this building, which will be borne by the taxpayers, came about as a result of the lack of understanding and co-ordination between the federal government and the city of Ottawa. The federal government in making its decision regarding the construction of this expensive theatre decided to take advantage of the offer of land made by the city of Ottawa. It has been admitted on all sides that this has greatly added to the cost now being borne by the taxpayers. I strongly urge that the parliament of Canada, which is the trustee of the money that will be expended for the expansion of the Quebec side of the national capital area and for any major developments in the centre core of the capital, be consulted and that we set up a committee representing every party in the house so we will have, as the previous speaker said, a number of better informed parliamentarians who will be dealing with the estimates and reports such as the one we have before us today.

I should like to say in conclusion—and this may not be specifically to the point—that when we are dealing with the national capital we are in a sense dealing with our national culture. I think that perhaps too high a priority has been given to the performing arts such as ballet. Let us seriously consider the fact that in Canada we have very little that relates us east to west; our thinking is apt to be directed toward the south. I find that in our culture, whether it is expressed in terms of the national capital or in terms of art or athletics, one part of our country, the maritimes, is entirely cut off from one of the greatest common denominators in our Canadian relationship, athletics. I am referring to the forthcoming national spectacle, the Grey cup game. If the parliament of Canada had had any say in regard to the spending of tax money to develop the national capital I wonder whether it might not have thought it better, instead of spending so many millions of dollars on building a structure here in Ottawa for the performing arts, perhaps to subsidize the city of Halifax so as to enable it to be represented in our national sports events. Perhaps this would be in the interest of the whole nation because I consider athletics to be a cultural activity, just as is opera or ballet, and one calculated to improve our national relationships. I think the house would have done something good for Canada if it had been able to give favourable consideration to such a suggestion.

Before sitting down I should like to reiterate the hope of the members of our party that, as the minister has said, he will set up a parliamentary committee which will concern itself with the better handling of public money and the improvement of Canada's national capital. The predecessor minister in the public works portfolio, who in the last parliament was in charge of national capital concerns, also made this promise.

• (4:10 p.m.)

Mr. Richard: Mr. Chairman, at the outset I should like to congratulate the minister who has shown already a great interest in the regional development of Ottawa and Hull. I hope he will maintain that spirit and that he

will consult with those who are interested in the different sections of the national capital they represent. For many years our voice has not been heard, but we could have made a contribution to the improvement of relationships between this government and the municipal authorities. I do not want to make lengthy remarks today because I am still hoping that as soon as possible after the new year a committee will be established to study closely all aspects of the national capital. There is a great deal to be done. I hope the minister will begin early in January to convene this committee and give it the opportunity of studying all aspects of the life of the national capital.

I cannot help but think back to the time of confederation. I have read some of the original confederation debates, and it is too bad the suggestion of one of the speakers at that time could not have been adopted. He wanted to set aside the land which is now the core of the national capital as federal land. If this had been done, many of the problems we have today would not be with us.

During the 23 years I have been here I have said time and time again that one of the difficulties connected with improving this capital has been the lack of a close relationship between the provincial and federal governments. They were all always at loggerheads. In fact, they were not even at loggerheads because most of the time they did not even meet. Furthermore, there has always been a lack of liaison between the Department of Public Works and the city of Ottawa or the Prime Minister when he was in charge of the federal commission. We have had this trouble with zoning. There has never been a proper zoning plan of the city. There was little use in the National Capital Commission making plans when they were always running up against zoning which did not suit their plans. Even the departments within the government do not agree with each other. We have had clashes between the minister representing the National Capital Commission, the Minister of Public Works and the Minister of National Defence. At the moment there is a battle over zoning in the centre part of Ottawa. One builder desires to put up a very high building but the National Capital Commission opposes it. But, who will be the first tenant of that building if it is erected. The Department of Public Works. As long as there is no proper liaison between the province and the federal government or between the various departments of the government, plans cannot be made which will be useful.

There is a great deal of work to be done in this city. No one can deny that. However, it cannot be done if the same procedure is followed as has been followed in the past. I have heard the minister say that Hull cannot be treated as a suburb. It may be easy to do what the minister suggests, and I hope it is. However, these suggestions will not solve the problem of the core of my city. I happen to be the representative for Ottawa East which includes the area east of the Canal, Eastview and Overbrook. To my knowledge, no building has been erected in this part of Ottawa and Eastview for 35 years. If we did not have the Chateau Laurier in Ottawa East we would not have anything. In all of the region between here and the residences of the Governor General and the Prime Minister there is not a single new government building. We have been told for years that a building for external affairs might be constructed. I suppose that will happen some day but that is not sufficient to improve the whole area between here and Rockcliffe or between here and the Montreal Road.

Perhaps members do not realize that Ottawa East includes Eastview and Overbrook and that in this area the people are bilingual. This is a truly bilingual section of the country, with its own university and newspaper. Why search all over the place to improve bilingual and bicultural relations when we have this area right in the centre of the city? This area is in Ontario, and French speaking and English speaking people are trying to live together in unity and I feel they should be encouraged. They have not received any encouragement so far. I felt it was time to make this statement because apparently the quieter you are the more people seem to think that things are going along well.

The eastern part of the city from the Chateau along the river to Rockcliffe and down the Rideau river to Hog's Back is probably the most beautiful part of the city. If there is a more scenic area and a better population in any other part of the country, I should like to know where it is. I urge the minister, when he is thinking of developing the bicultural aspect of this region, to think of the eastern part of this city. I am sure he will have to give that part of the city his support, as will the members of this house when they know what needs to be done.

I would not want to close my remarks without saying something about the National Capital Commission. They deserve congratulations for the wonderful work they have

done on our parkways and the improvements along the Ottawa river. Those of us who knew these areas in the past realize the wonderful work that has been done by the engineers and planners of the National Capital Commission. On behalf of the people of Ottawa, I want to say thank you. However, the commission can only do what its powers will permit it to do. Any misgivings there may be about the development of the national capital can be attributed to the fact that the powers of the National Capital Commission are limited and sometimes their budget is not sufficient.

Mr. Dinsdale: I am inspired, Mr. Chairman, by the words of the hon. member for Ottawa East to make a brief contribution to this discussion. This afternoon we have heard from a member from the far western part of Canada and from a member who represents a constituency within this national capital. I think it is high time we heard from someone who comes from the heart of the nation, the province of Manitoba. I speak this afternoon as one who represents a constituency that is not only close to the centre of Canada but is close to the geographic centre of the North American continent. If logic were to control where capital cities are located, our capital, of course, would have been located right in the heart of my constituency.

The hon. member for Ottawa East has indicated, with the wisdom of hindsight, that certain suggestions were made in the early days for Canada's capital and if that advice had been followed we would not be in difficulty with respect to co-ordination and we would not have made some of the mistakes that have obviously been made over the years in the development of Canada's capital as one of the loveliest, if not the best, of the major capital cities of the world. In addition to the impassioned remarks of the hon. member for Ottawa East, I rise to my feet because of a phrase that was used by the minister in his introductory remarks. He told us that from time to time the plans are "modified and revised". That was the phrase he used. This immediately raises the question just how fluid is the plan for Canada's national capital and just how far can long term planning be modified or distorted. During centennial year a model of the future development of our Canadian capital city was displayed on the mall. It seems to me that during the relatively short time I have been in this house the Gréber plan has been modified in such a way as not to enhance the beauty of the capital as originally conceived by Mr. Jacques Gréber. I refer particularly to the development in the centre of the city. People who come from western Canada, where they are used to wide open spaces, are shocked to see the congestion in the heart of the nation's capital, which is described as confederation square and is popularly known as confusion square.

• (4:20 p.m.)

Mr. Stanbury: Not any more.

Mr. Dinsdale: Over the years, that is so. I hear the parliamentary secretary to the Secretary of State saying "not any more". That is one man's opinion. Obviously he has not travelled west to appreciate the magnificent spaciousness of that region of Canada.

Mr. Stanbury: I have.

Mr. Dinsdale: Otherwise he would not suggest that the designation "confusion square" does not apply.

Mr. Peters: The real confusion square is in Toronto.

Mr. Dinsdale: That is possibly one explanation for the hon. gentleman's viewpoint. When certain demolition work took place in the vicinity of the square in recent years we hoped it might be in preparation for the provision of a suitable open space and park area to give an impression of the spaciousness which is typical of Canada. We have all been to Washington. I think one of the most impressive aspects of the centre of Washington as a capital city is the open space which exists in such abundance around the capitol building. Here in Canada we have much more geography available with our relatively small population; yet we persist in concentrating everything in what would seem to be the smallest area possible.

Mr. Francis: Would the hon. member permit a question? Is he aware that the city of Ottawa has a larger percentage of land devoted to public purposes than any other North American city? I am thinking of the experimental farm, of major park areas such as Vincent Massey Park, and so on, all entirely within the city boundaries.

Mr. Dinsdale: I am aware of that. I also think that the green belt plan has much to commend it.

Mr. Francis: I was talking about space within the city.

Mr. Dinsdale: Yes, but I was referring to the centre of the city which, after all, is the focus. It is within the shadow of the parliament buildings and receives the greatest attention from all visiting Canadians. This is why I raised the question I did, and I trust the minister can explain the situation a little more clearly.

Mr. Francis: Does the hon. member think we should not do business?

Mr. Dinsdale: I am interested in knowing how far it is possible to modify and refine the original plan as laid down by Jacques Gréber. My hon. friend from Surrey introduced the subject of the centre for the performing arts. I shall not discuss the merits of that institution this afternoon; we have been doing that in the committee on broadcasting and the arts. But I think this point is relevant to the subject matter now under discussion. It seems to me that a further fundamental mistake was made by adding to the congestion and confusion in the centre of our nation's capital when it was decided to create this massive complex of buildings in a most strategic location. I shall not use the strong words used by the hon. member for Surrey, who said it was less attractive than many penal institutions, but I will go this far: in terms of beautifying a strategic part of Ottawa, or the capital district, it does not make any substantial contribution. Once the centre is opened and in full operation with its underground parking provided at a cost of $7 million I shall be most interested to see just how the reputation of confusion square will be altered by this development.

I raise this point because obviously there have been modifications in the plan. This was not the location originally designed for the arts centre, and the soaring cost of construction was, as we discovered in our committee studies, largely the result of the decision to build on this particular site, a decision to relocate which was obviously taken hastily and without careful planning in terms of the long term effect on traffic patterns, the preservation of open spaces and similar considerations.

The construction of this complex of buildings in the area known as confusion square, which we had hoped would become Confederation Square, in fact was made possible by virtue of the phrase which the minister used when he talked about the possibility of modification and refinement. I agree that there has been modification but I am not sure there was refinement in this particular instance. I suppose things like this happen because, as the hon. member for Ottawa East indicated, the N.C.C. lacks sufficient authority to overrule the various conflicting interests which zero in when the use of these strategic locations is under consideration. I am sure the N.C.C. was overruled in this instance because the development is by no means in the grand style originally conceived by the architect, Mr. Gréber.

• (4:30 p.m.)

I hope the minister will comment on these remarks and indicate just how far modification or violation is possible in the planning of our capital city. Even though we use the postal address "Ottawa, Ontario", or "Hull, Quebec" this city does not belong to Ontario or Quebec in the way that other provincial capitals or cities belong to their provinces. Ottawa is the focal point of all the people of Canada, and all people in Canada make substantial contributions to its development.

Mr. Francis: The hon. member must not forget that the municipality makes contributions.

Mr. Dinsdale: A moment ago my hon. friend from Ottawa West said that many parks in our capital city proper are paid for by the good citizens of this country from British Columbia to Newfoundland. A substantial part of the upkeep of course is paid by the citizens of this country.

Mr. Francis: On a question of privilege, Mr. Chairman, I do not suggest that all these parks are provided at public expense by the federal government. Quite a number of them are provided by the municipalities. I call the hon. member's attention to our very large proportion of park service areas which, to the best of my recollection, is not exceeded by any other city on the North American continent. No other North American city as far as I know devotes such a proportion of its area to canals, parks and public services of this nature.

Mr. Dinsdale: We are splitting hairs on this matter, Mr. Chairman. I think the hon. member will agree that the national capital parkways, the experimental farm and many of other specialized and beautiful park areas are supported by the people of Canada through public funds expended by the National Capital Commission whose estimates we are now discussing.

Mr. Francis: One must also consider city property.

Mr. Dinsdale: I have been looking through the commission's report and I am amazed at the substantial sum of money spent. I see that the graph of expenditures goes onward and upward to a cumulative total of $206.3 million. That money comes from the taxpayers of every part of Canada.

That is why I feel there ought to be greater co-ordination. A jurisdictional dispute is going on involving city versus city, municipality versus municipality and province versus province. In this process of modification and refinement I suppose the noisy wheel gets the grease in the long run. I sympathize with the hon. member for Ottawa East when he complains that there is a lopsided development. It appears that one municipality is not as influential as another in resolving these jurisdictional disputes. I presume that the city of Ottawa will have a strong voice in these deliberations. I do not think that is the way it should be. There ought to be co-ordination which takes into consideration not the parochial needs of one municipality, council or what have you but the fact that we are developing here our nation's capital which we hope will be one of the finest of all the world's capitals.

We have made an error in pre-empting a stragetic location for the National Centre for the Performing Arts. I had visualized a beautiful, expansive view from parliament hill. But now we see a pile of stone that is supposed to typify or symbolize, as we were told in the committee, the great Canadian pre-Cambrian shield, as if that is the only thing representative of Canada. In this project there was a lack of imagination, a lack of vision. Even though a few maple trees are to be planted around the enormous pile of rock, along with some Dutch elms which I suppose will die of Dutch elm disease, the problem will not be resolved.

When we discussed this matter in committee it was said, "You cannot tear the building down." Certainly you cannot tear it down. You cannot unscramble an omelet. I speak of this matter now in the hope that we do not continue making mistakes on this grandiose scale in our planning.

Perhaps I might refer to the Beachburg line which has also been discussed by many in recent years. I notice that in the estimates an expenditure of $39.3 million is listed for relocation of railway lines, construction of overpasses and bridges and so on. Yet here in the nation's capital we have a railway line going through one of the most exclusive residential areas. In the original proposal put forward in the capital plan of the N.C.C., the station was to have been located on Walkley Road to avoid what has become a sore spot in the heart of our national capital. These mistakes must be avoided because they are obviously costly and spoil the beauty of the city to an enormous extent.

We were told in committee that relocation caused the cost of the centre for the performing arts to soar from an estimate of $18 million to a final figure of approximately $46 million. Yet there was an interdepartmental committee working on this matter. Although we had experts and consultants costing us hundreds of thousands of dollars for their advice, the costs of the centre continued to go up and up and up, completely out of control. I suppose similar remarks would be true with respect to bridges, overpasses and things of that sort in any consideration of the Beachburg line. We must have necessary changes, of course, with respect to the Beachburg line but we ought to see that there is co-ordination in planning and that the N.C.C. is not interfered with in its over-all responsibility in these matters in the future.

Mr. Stanbury: I am not surprised, Mr. Chairman, that the hon. member who has just sat down has been chewing again at his favourite bone, the National Arts Centre. It must not be thought that his low opinion of the architecture is shared by all.

Mr. Dinsdale: I am concerned about the site.

Mr. Stanbury: The hon. member talks of the site but he was quite insulting about the aesthetic aspect of the building. I will not discuss the site with him since I expect the minister may want to do that. I merely point out that a similar Philistine attitude toward modern architecture was displayed by some of the less farsighted citizens of Toronto. I suggest that the national arts centre will be to Ottawa what the fine, new city hall is to Toronto.

May I refer the hon. member to a commentary which appeared in the Montreal *Star* of November 23. It was written by Eric McLean and reads as follows:

• (4:40 p.m.)

I have seen most of the new theatre, concert-hall, and opera buildings on this continent, the ones at Los Angeles and Indianapolis being the

most important exceptions, and I have no hesitation in saying that the Ottawa project will outshine them all.

Farther on he describes the National Arts Centre as:

—a real work of art; an enduring piece of architecture that will go a long way towards making the heart of Ottawa a showplace.

I do not say whether the opinion of Eric McLean, which is shared by others, is correct, or whether the artistic judgment of the hon. member who has just taken his seat is correct, but I do point out that there are different points of view on this matter. Personally I think that the National Arts Centre will be a structure of which the citizens of Ottawa as well as the people of Canada generally will be justly proud.

Mr. Peters: Mr. Chairman, I was interested in the remarks made this afternoon by the hon. member for Ottawa East because of his particular knowledge of this subject and his particular interest in it over a long period of time. I share his regret that the minister really did not say anything about what he hoped the National Capital Commission would do with regard to the many problems it has, except that we need to equalize the bilingual and bicultural balance by having more buildings erected in the province of Quebec. But this is only a small part of the commission's problems, unless the commission chooses to build another edifice like the one erected recently in confusion square.

Our national capital should be developed in a way acceptable to Canadians who visit it from all parts of Canada. I agree that Ottawa and its surrounding area are in a most beautiful location. I will not disagree with the hon. member for Ottawa West who has said that there are probably more green areas in Ottawa than anywhere else, but I point out that Ottawa has the worst transportation system of any place of comparable size. What does the minister suggest that we do to cope with the transportation problem? I am sure he will tell us that he is going to put up bilingual signs. Such a suggestion burns me up. The province of Quebec has already passed that stage. It has erected international signs that anybody can understand.

People come from all parts of Canada to do business with the various branches of government located in Ottawa. But once they reach here they encounter the transportation problem. The other night was a good example when people found themselves seven hours away from the airport. I would like to discuss the reason for this.

The National Capital Commission started out with a very good plan, the Greber plan, which has already been mentioned in this debate. It was a long-range, 50-year plan which could be extended indefinitely to take care of future expansion. But changes have been made.

If we decided tomorrow to build a road from downtown Ottawa to the airport we would probably have to start construction from the airport end. We already own most of the land as far as Bronson Avenue, but when we reached that point we would probably find that the city fathers could screw up our plan because there would be no outlet for the road to the downtown area. We have done our share in buying up land for the National Capital Commission. We are probably the biggest owners of real estate in the city, although possibly Campeau may be bigger. However, we rent, buy and expropriate property to help develop a national capital plan. But what happens? Every time some joker gets an idea that he wants to build a high-rise building in Ottawa, the city of Ottawa changes its zoning plans.

In effect the city seems subject to the plans of two or three entrepreneurs. In effect there is no plan so far as the city itself is concerned. As I say, we own a lot of land from the airport to Bronson Avenue. It is a combination of abandoned railway line and of land that we bought running along a ravine. But we have never sat down with the National Capital Commission and told the commission what its role should be in negotiating with the municipalities of the area.

I do not know what the relationship is with Hull. I do know we had an unfortunate experience in Hull with respect to the printing bureau. That was not a municipal problem, but there is a building problem in that area. However, I am sure that if we sat down with representatives from Hull we would welcome their participation in the erection of a number of buildings in their area, if that is the over-all plan for the national capital area. On the other hand, I do not think we should build a couple of buildings in Hull if that is not part of the plan, and I do not think we should continue to erect buildings all across the Ottawa scene if this is not in accordance with the Greber plan.

I did not agree, and neither did the late Alexis Caron, with the irresponsible manner in which the abandonment of railway lines

was handled in the national capital area. The hon. member for Brandon-Souris has mentioned the Beachburg line. There is not an honest member of this house from the city area who, in considering the abandonment of railway lines and the deals made in that regard, has not had serious doubts as to the shortsightedness of the program. This is a plan which has been changed about a dozen times. I see the hon. member for Ottawa West shakes his head. He has a certain propensity for the city of Ottawa, but some of the city's efforts have had calamitous results.

As an example I mention the building of half a million dollars worth of overpasses for the Beachburg line. I believe the city got two of them constructed. Then it went to the Ontario Municipal Board and found it could not pay for them. Who will pick up the tab for those overpasses? I am sure the minister can tell me. I am sure the National Capital Commission will have to pick it up.

Mr. Dinsdale: It is in the estimates.

Mr. Peters: Those overpasses should never have been built. The N.C.C. will agree they should never have been built.

Mr. Francis: Where are they?

Mr. Peters: They are at the end of the station, crossing off Industrial Road and Smythe Road.

Mr. Francis: They do not exist. You would have to look hard to find them.

Mr. Peters: Mr. Chairman, I would like the minister to explain why they do not exist, and what was this exercise in going before the Ontario Municipal Board. An amount of $1 million for two overpasses or two under passes is not a small consideration. It is an example of the inability of the N.C.C. to lay down guide lines for the whole national capital region.

• (4:50 p.m.)

Mr. Francis: I rise on a question of privilege, Mr. Chairman. The hon. member made a statement—and I believe he was referring to myself—that the overpasses which were built did not need to be built. He said that the Ontario Municipal Board did not give the authority. The facts are that the overpasses were absolutely essential, are being used, and the decision by the Ontario Municipal Board—

The Deputy Chairman: Order. There is no question of privilege in the remarks of the hon. member. I will ask the hon. member for Timiskaming to continue.

Mr. Peters: Mr. Chairman, I do not wish to become involved in an argument on this subject, but I suggest there is considerable controversy in respect of this matter. I should like to refer to the argument used by my colleague and several other members to the effect that a committee should be set up to study this matter. It is my understanding the hon. member is probably right in saying that these overpasses are being used, but it was not necessary that they be built. The railway should not have gone there. It should have been removed. More consideration should have been given to the moving of the passenger service from downtown. This matter will have to be reconsidered in another ten years if one wants to get to the city of Montreal on a rapid ground transportation system. This was one of the mistakes that were made.

I might also point out that I believe the hon. member was a member of the city council at the time the plan originally called for the station to be located a considerable distance from where it is now. At that time, because of pressure put on council by the real estate people of Ottawa who control the board of control, the station was moved a number of blocks farther in. No explanation was ever given concerning why this took place.

My complaint is against the government because of its failure to establish enough control through the National Capital Commission over these things in the interest of over-all planning. I do not blame the people of Ottawa or the city of Ottawa for wishing to build the tallest high-rise buildings that can be built. The cost of $1 per foot for high-rise apartment or office buildings is obviously related to real estate values and because of this I do not blame anybody for wanting to erect high-rise buildings. What I do wonder about, however, is whether we should allow them to do this if it is not in our interests or in the interests of the National Capital Commission on the basis of orderly development. If somebody wants to erect an office building in downtown Ottawa and exceed the height limit, perhaps the peace tower should be raised another 100 or 200 feet at their expense. In this way possibly we could keep ahead of them. Maybe we should raise the peace tower until it becomes another Eiffel tower. As someone just pointed out, perhaps it would help some of my colleagues attain

their final resting place with a higher authority.

Personally I have no use for the city of Ottawa or its administration. I have never seen a city so badly administered. The contribution the federal government must give through the National Capital Commission is much greater then the contribution we would normally give to any other city. First of all, I believe it is necessary that the city not be industrialized but rather be oriented toward government offices, civil servants, and this type of thing. I do not believe we should attempt to mix industrial development and capital development in the same city on any basis. I am not opposed to the government helping to fix some of the streets. Anybody who drives on some of the streets must wonder whether money can improve their condition. They would probably think that what is needed is brains. In the ten years I have been driving down Kent street it has always seemed that the street was being torn up.

I might give an example. At one time I lived in the east end of the city of Ottawa. A colleague and I shared a house there. There was a gravel road on the street. There was no water. The house in which we lived had a pump in the basement as well as a septic tank in the backyard. One morning when we came down to get our car we noticed that the street had been dug up to put in water pipes. It was filled in and then a couple of days later we drove over a new gravel road which was being ripped up again to put in sewers. They did the same thing three or four times. Finally the road was paved. One day I saw a man there with a little electric device. He was looking at everybody's lawn. I said to him, "Now, what?" He said, "I am looking for the telephone line." So they dug it up again. This is the way everything is done in this town. It would appear that money is no object. But I do not think we should be providing it.

The National Capital Commission has accomplished very good things. I believe that anyone who comes to Ottawa from another part of Canada must gain a very good impression of the type of country in which we live when they drive along the parkways we have developed through the Gatineau hills. Facilities have been provided there for tourists. I am sure everyone feels at home in that area. Every year the Rotary Club has what is called an adventure in citizenship for bright young people from across this country. Frankly, I might say that this is the only way members of parliament have an opportunity to see the National Capital Commission. They are hosts to us, with our own money. At such times we have an opportunity to visit some of these parks and parkways with these young people. I am very pleased that these young people have an opportunity to see what has been done in this regard by the National Capital Commission.

Nothing is said, however, about the cesspools in Ottawa. We really have two. We have a large one and a smaller one. The whole Rideau river is a cesspool. There are weeds right down to the bottom; it stinks. Property along this river should be very valuable, but with the present situation the farther one gets away from the river the more valuable property should be. There seems to be an inability to do anything about this situation. It is not really the responsibility of the National Capital Commission, but I believe it is something about which we should be concerned. I believe also that some money should be spent on the canal. In my opinion it is the canal around which the beauty of the city should be built.

Then there is the new arts centre. I am not an architect and therefore I do not know whether it is good or bad. But what about the driveway? How does one get on and off it? Because of the location of the arts centre the end of the driveway just filters into a maze of city streets. There really is no federal driveway there. You have to be an expert to get on it at all and almost have to be an expert in order to get off. It is necessary to go through back alleys.

I believe there are many things we should be thinking about. I feel that the minister is very much of a provincialist. If he were not he would be doing something about a problem which is unique not only in respect of Ottawa and Hull but in respect of the other areas involved. I refer to the difficulty in fitting the regional government plan into the national capital plan. If we want this, then I believe the federal government will have to put up the money. In fairness to the city of Ottawa I would agree that the overpasses were their interpretation of what they would finally be able to get away with in terms of the Beachburg line and connecting roadways in that area. It should never have been left in doubt as to what they would be able to get away with, particularly when the federal government picks up much of the tab regional development. The federal government will have to make an offer to the 50 or 60 municipalities concerned in this area in return for control.

Supply—National Capital Commission

• (5:00 p.m.)

At some time in the future we will have to make some provision to institute an electoral procedure in respect of these necessary changes. I am not in favour of doing what has been done in Washington and taking away voting rights. On the other hand, I do not think we should provide large sums of money and allow these authorities to take control over a great number of things including the problem of pollution in the Ottawa and Rideau rivers and the Rideau canal. These authorities should not have control over roads in this area. If the federal government is going to put up the money, as it should, it must retain some control on a basis which will allow the people of Ottawa a vote or a say of some sort.

As an example let me refer to what happened on the street where I live. The people found that the hydro authority had torn down the street lights and replaced them with new ones located up in the branches of trees. The people filed a petition and as a result of representations the new lights were taken down and replaced by a system similar to the original one. They now are faced with an additional tax of $70 per year to cover the cost of tearing down the new street lighting system which replaced the original system. Of course, this is progress. If this is progress, surely we are not interested in having the National Capital Commission assist.

If Kent street is going to be paved and the federal government intends to participate, we had better find out what is being done and has been done under the ground before we make an agreement. This is the type of control which should be exercised by the National Capital Commission. The people of Ottawa are getting tired of this sort of thing.

This whole thing does not involve a part time ministry because this is not a part time job. The job of the National Capital Commission requires a great deal of attention. During the 11 years I have been here the federal government has not exercised sufficient control in this direction. The hon. member for Brandon-Souris has referred to corporate planning. I am not sure that this is a good idea. Certainly the government has not looked into it sufficiently. No minister in power since I have been here has had time to look into this situation. Neither has any committee of this house had the opportunity to consider what is being done. Surely at some point of time this should be done. I hope the minister will consider sending this subject matter to a committee which will have the opportunity of looking at the problem.

Let me conclude by suggesting that the problems involved are not few. Ottawa city council as well as Eastview and the city of Hull will fight for their rights. A great many things are involved. A number of the authorities have mixed feelings about regional development which was brought about in this area by the provincial government not long ago. I personally do not feel that regional development should have been allowed to proceed as far as it has without the involvement of the federal government. This government has made tremendous contributions to this area and will undoubtedly contribute a great deal more. If this is not done there will be no acceptance of this area as the national capital. The national capital should and must satisfy the needs of the people in all parts of Canada. Development must be considered from a cost point of view and must involve the co-operation of every district in this area.

Let me leave with the minister the hope that he will accept his responsibility and that in respect of necessary changes he will consider the full scope of the operation. It might well be that the minister might consider the appointment of a minister without portfolio under the jurisdiction of his department to take this responsibility. It seems to me that we are moving in all directions. It may well be that we feel the National Arts Centre is an advantage. I am sure it was given careful consideration. It may well be that the person we hired may have increased the cost by 100 per cent as a result of suggestions made to people who were not aware of the situation. Perhaps they accepted his suggestions, whether good or bad, because he was the expert and they were not.

This may well be true of the National Capital Commission in recent years. Perhaps we have not given enough direction for them to exercise authority. We should seek a somewhat stronger method of providing for those changes which should be made and a stronger National Capital Commission authority. Obviously its authority is not sufficient at this time to solve regional development problems as they occur in respect of individual streets, the green belt, parks and other areas which make up this city. This authority should take into consideration many other problems which concern extending the area. We may want to extend the national capital region in other directons, for example, to include Eastview which has never been considered to any extent in the development of this capital area.

• (5:10 p.m.)

[*Translation*]

Mr. Isabelle: Mr. Chairman, I would like first of all to say how much interest I take in the National Capital Commission and today I would like to make my humble contribution to the study of the estimates of that commission which was created many years ago and which, although it might make mistakes, has certainly brought some benefits to the region of Hull and vicinity which I represent.

However, since all things must pass, I would say that the National Capital Commission is now facing a problem which may extend a little beyond the scope of its terms of reference.

I think that problem is urgent, since it was mentioned by members of all parties in the house. To give only a few dates when the National Capital Commission was mentioned, I would refer first to *Hansard* for September 19, 20, 23 and 25, October 2, 16, 17, 21, 23 and 31, and November 5 and 6 of this year. There is certainly a problem, and something must be done in that direction.

Looking at geography, one notices that the area of Hull—which I am happy to represent—is truly part of the region of the national capital, and it has been for a long time.

The object of the National Capital Commission has mainly been re-development as far as parks and planning are concerned, with a view to beautifying the national capital, Ottawa. For that, some kind of monster government was created, the administration of which proved very difficult due to manifold jurisdictions on both sides. The National Capital Commission is like a mushroon which grew and to which we did not pay much attention. Today, it has become an organization which has to be rejuvenated and whose jurisdiction must be amended.

Mr. Chairman, I now wish to deal with a problem about which the National Capital Commission should do more, even though it may not be concerned directly. I am thinking of transportation which I will discuss in a few moments.

I feel that, today, the N.C.C. should be replaced—and not because it did not play a great or useful role—by a type of tripartite commission grouping representatives of the Ontario, Quebec and federal governments within which the N.C.C. could become a division of the Department of Public Works. In that way, the N.C.C. would not run into problems of jurisdiction, at times with Quebec, at others with Ontario, as well as—it must be recognized—with Ottawa, especially where modes of transportation between provinces are concerned.

Mr. Chairman, I decided to participate in the debate because when I spoke of geography a while ago, I also wished to point out the fact that 38.5 per cent of the people living in Hull and vicinity, that "task force" as it is called, work in federal buildings in Ottawa. Another fairly substantial percentage of the population works in Ottawa, so that approximately 50 per cent of the labour force in Hull works in Ottawa. It is therefore obvious that the federal government is responsible for seeing that these people can get to work rapidly and efficiently, and also that transportation be facilitated for those who must use the bridges and who lose an hour or two every day during rush hours.

Another sector of the field of transportation which should fall within federal jurisdiction is that of the joint jurisdiction involved in crossing a river to go from one province to another. The Hull region is part of the national capital area. For this reason, I say that the federal government shares an important responsibility in the transportation field.

Transportation problems do not affect our region only, according to an article I read in a communique released by the Department of Transport, on November 6, 1968. I quote:

> Canada cannot maintain a healthy economy if overcrowded roads and inefficient public transportation hinder productivity of the cities. Due to the fact that urban transportation constitutes about one fifth of the total cost of the urban economic activity, measures intended to improve the efficiency of urban transportation may be profitable to the national economy as well as to the improvement of the standard of living of most Canadians.

Mr. Chairman, this brings me to the subject I had in mind, namely the ever present traffic problem between our two cities.

There is no point in my referring to previous years to remind you that transportation in Ottawa is creating problems beyond the imagination of its civic leaders. I do not have to picture for you the extent to which the city of Hull is getting bogged down in its city transportation.

The whole problem is due to the fact that, two or three times a day during peak hours, there are huge traffic bottlenecks on the bridges which result in bringing traffic to a crawl as thousands of persons are waiting in inadequate automobiles which pollute the air and paralyse traffic.

This traffic problem is not unique. But why should we attempt to develop our industrial, touristic and commercial activities if, because of the increased density of traffic, they bring about bottlenecks, confusion and a deplorable delays.

Mr. Chairman, it is a well known fact, although it is hard to explain, that in an intelligently organized society such as ours, we always think of transportation and communication problems too late, when they reach a dangerous and even catastrophic stage.

To give an example of what I mean, just consider that, in a country such as ours, buzzing with activity, dynamic and open to every technical progress, means of transportation in the capital area are as obsolete, old fashioned, inadequate and deplorable as in the days of the horse and buggy. As I said, the national capital problem, with regard to traffic and transportation between both provinces, is not of course peculiar to our country.

Every large city in the world is faced with this kind of traffic thrombosis. The problem is considered so serious by our American neighbours that the government places it immediately after the Viet Nam conflict as a matter of public concern. Specialized services spend millions of dollars in an attempt to find new solutions.

• (5:20 p.m.)

In fact, the main problem in the national capital area is the automobile which the majority of people use as a means of transportation in the cities. Most of the time, it is used strictly for personal prestige.

At the present time, there are in the United States 90 million passenger cars, and this figure increases by 5 per cent every year. At the same time, there is a spectacular decrease in travel by railways. From 790 million in 1964, the number of passengers decreased to 299 million in 1965, while the number of users of city transportation decreased by 45 per cent.

Furthermore, the automobile is responsible in the country for about 50,000 accidental deaths a year, for pollution of the air, and for noise in the city, to say nothing of the inconvenience it creates for pedestrians as well as parking problems in certain cities such as New York, Montreal, Paris, Tokyo and so on.

The time has come for us to consider in a realistic and intelligent way the problem of traffic congestion in the national capital area. Studies have also been made in our region. In fact, there has been a master plan since 1964, and various reports have been prepared on ways to improve our transportation system. However, a report is just another document if it is not followed by concrete measures. The best study, if it remains on file for years, is as useless as if it did not exist.

In the national capital area, we are facing the urgent need to set up immediately an adequate transportation system to facilitate the human and commercial traffic between the Ottawa and Hull areas; there are about 175,000 inhabitants in the latter. As I said earlier, 50 per cent of those people work in Ottawa and their only means of transport are slow and clumsy busses which, during rush hours, pollute the air and slow down traffic. The result is hours of waiting, delays, annoyance and added fatigue for the public, not to speak of a waste, that is hard to assess but very real. I would not be surprized if there were soon to be more psychiatrists in the area on account of the psychological troubles which may be caused by this waste of the talents of most of the Public Service employees who go home by bus in the evening.

In wintertime, the situation is worse and even more complicated. It becomes a real hardship for the workers and with the continual development of industrial and commercial activity in the area, with the great urban and social projects we are planning, the transportation problem will soon become unbearable.

In fact, those who are in charge of the National Capital Commission today, of whom the hon. Minister of Forestry and Rural Development (Mr. Marchand) is one, hope that we will see in the Hull area one day developments as spectacular as those now taking place in Ottawa. In view of the good intentions of the minister, I am confident that the Hull area will at last be given the attention it deserves, since it is an integral part of the national capital.

Naturally, this situation does not enhance our prestige. If the national capital area itself does not have an adequate transportation system, what suggestions will be made for the other cities in the country? I think action should be taken. It is high time we did something, since we have the perfect opportunity of linking the centre of Hull and the centre of Ottawa by a system which I should like to outline, and which could be used as a pilot project for rapid transportation to different points within certain Canadian cities.

First of all, we would have to build a line about a mile long which would cost several million dollars. The other day I read in the newspaper that a line about 1 mile long for example, would immediately eliminate daily traffic congestion between Ottawa and Hull.

In this field, Mr. Chairman, we would find the opportunity to make innovations and to equip our capital with the most flexible, economic, efficient, as well as the most modern means of transportation, the monorail transportation which is not affected by crowds or whether conditions. It uses free space allowing all sorts of future developments and technical daring. Besides—this is an important feature for those who have at heart the comfort of our citizens—aerial transportation by monorail or hanging containers constitutes the most pleasant system for the user.

It was said recently that this might cost more than $2 million per mile. I checked those figures and I must say that, in France—where it has become the fashion to build some almost every year—they add to this rapid mode of transport and it costs from $600,000 to $800,000 per mile. The railway costs from $2.5 to 3 million per mile while the highway costs from $1 to $1.5 million per mile. So, this is more economical.

I should also say that this means of transportation is not hypothetical, and I am not suggesting it as an experiment. After extensive studies, some foreign cities, several years ago, decided on elevated transportation systems, of which there are several types. These are Pittsburgh, Diablo in California, Tokyo, Châteauneuf, Grenoble and Chamonix, where the economic and human advantages of this transportation system have been confirmed. I hope I will be able to submit in the near future a detailed report on the subject by consulting engineers. Unfortunately, during my trip to Europe, I did not have time to visit the system being built in Lyons. I hope to do so before long.

This would be an ideal way of communication for those two parts of population having to cross the river two or three times a day to reach their working place in Ottawa. I understand that it is a somewhat challenging project and that many people may say I am perhaps dreaming in colour. Some may also say that, according to experts, the monorail is an unpractical mode of transport.

I know that in Tokyo, for instance, the monorail that was built in 1964 proved uneconomic, for the simple reason that an error was made in its design. The monorail is designed to transport a large number of people from one point to another, and not to stop at several stations. Neither is it used—at least in 1964, in Tokyo—to connect the capital to the airport. As a matter of fact, when it was built, this transportation system was still too new to derive full benefit from its use.

At all events, at the rate things are going, it is being experimented in France where it has been found the fastest means of transportation to carry people from one point to another.

I would favour the idea of a monorail linking Ottawa and Hull and going back and forth between the old Union station and the old streetcar terminal in Hull. This would call for the construction of a line about three quarters of a mile long, which would allow the transportation of thousands of commuters every fifteen minutes. In addition to unburdening urban transportation systems on both sides of the river, it would reduce their load by about 75 per cent and increase their efficiency by about 50 per cent. I am making this suggestion because I think it might be profitable. However, I think the federal government should pour in some of its own money to help launch this pilot-project which, in addition to being a tourist attraction, would allow thousands of people in Hull and Ottawa to commute more easily across the river to get to work and back.

• (5:30 p.m.)

If I made that proposal it is because I have been considering the problem of public transportation for a long time. If we follow the principle that automobiles must be withdrawn from traffic, in order to increase the available space for tourists and those who have some shopping to do, I think that this would be great savings for workers who have to come to work in Ottawa as well as for those who are working in Hull.

Mr. Chairman, if I said at the beginning of my remarks that I thought it advisable to substitute to the National Capital Commission a tripartite commission, it is because I believe that the National Capital Commission at the present time is outmoded. Consequently, instead of trying to amend the legislation, this commission should be established and then the National Capital Commission would become what it has always been basically, a branch of the Department of Public Works. This new commission would have jurisdiction, after consultations with the Quebec and Ontario governments and the federal government.

This is the humble contribution which I wanted to make, Mr. Chairman. I would like to see that implemented one day or another—before my death—since I know that I will live a long time and that it often takes some time before projects are carried out for the Hull area. Moreover, I know that thanks to our dynamic minister, to people like his friend on the right, the hon. member for Ottawa West (Mr. Francis) to the intelligence of the mayors of Ottawa and Hull, one day we will all be in a position to meet—for the welfare of the people whom we represent—so that the capital of Ottawa-Hull may become a cristallization of all that has been advocated on bilingualism for the last 50 years. It will be for all Canadians who will come to Ottawa the crystallization of that idea of bilingualism and two cultures existing side by side and separated by an obstacle, a purely imaginary border line.

Some hon. Members: Hear, hear.

Mr. Isabelle: I hope also that the time will be past when the people of Hull crossing over to Ottawa were punished because they came to work in Ottawa. Having to work in Ottawa—when one travels from north to south one pays double fare whereas when one travels from east to west, on the south shore of the river, one pays single fare only. Since the majority of the people in Hull work in Ottawa, I think that is a grave injustice that should be rectified.

I am grateful to the National Capital Commission for everything it has done. In my opinion, no other body, if it were created today, could do as much, but I think that the usefulness of the National Capital Commission is over. Other means must be used in the administration and that is what I am hoping for with all my heart.

Mr. Marchand (Langelier): Mr. Chairman, I do not intend to go back over every problem put before the committee this afternoon. Let me merely point out that the powers of the National Capital Commission are extremely restricted, that is the only true powers it has are powers of expropriation. Besides those, the actual powers still belong to municipalities and the provincial government. So when the commission is blamed for not being perspicacious or for not doing certain things, in most cases, that is wrong, because the actual powers—even those of planning and development—belong to municipalities and to provinces, and not to the National Capital Commission.

[Mr. Isabelle.]

In December 1967, the federal government, in co-operation with the Ontario and Quebec governments, established a special committee to study the problem of the national capital area. This committee has just reported to the Prime Minister of Canada and, through him, to the Ontario and Quebec premiers. This report has not yet been considered but it has been presented and we do hope that, in a short time—that is, within a few months—the government will have been able not only to formulate its own policy with regard to the National Capital area but, at the same time, to convince the provinces and the municipalities as to the best way to proceed in order to reach the objectives set forward in the legislation on the National Capital Commission.

Therefore, Mr. Chairman, I think that the most legitimate request formulated this afternoon was to the effect that a joint committee of the Senate and the House of Commons, or a committee of the house only, be appointed to study more closely the estimates of the National Capital Commission and all its projects as well as, let us say, its procedure with regard to its objectives as set forth in the legislation.

I intend to set up that committee as soon as the government is ready to present an overall plan, on new structures or new objectives, which should be proposed to the National Capital Commission.

However, that may take months, Mr. Chairman, and I feel that the wisest thing to do would be for the committee to approve, this afternoon, the estimates as they stand and then wait until that committee is created. Personally, I feel it should be a joint committee of the House of Commons and Senate, so that the members who are interested can discuss at length, without any rush, the problem of the national capital which, as has already been mentioned, is not merely the problem of the people of Ottawa, or the people of Hull, but the problem of the whole Canadian people.

And so, Mr. Chairman, I suggest that this procedure should be followed. I suggest to those who have specific and well-founded problems, in most cases, that they wait, for I am convinced that they are not satisfied with the representations they made and that they intend to pursue the matter further. That opportunity will be given to them when a joint committee is set up which will have all the time required to look into the matter and report to the house.

Mr. Clermont: Mr. Chairman, under vote No. 20, I read:

Planning and Design, $1,175,000.

Is there a portion of this amount for planning and design earmarked for western Quebec or the city of Hull?

Mr. Marchand (Langelier): Mr. Chairman, this money is earmarked for the two provinces, for the two cities of Ottawa and Hull.

Mr. Clermont: Again under vote No. 20, We can read:

Grants in lieu of Taxes—

No doubt, Mr. Chairman, the minister is aware that, from time to time, we read in newspapers criticisms with regard to the National Capital Commission's property in western Quebec, and particularly in the city of Hull, because these properties are not subject to taxation. Will this sum of $475,000, for 1968-69 remedy the situation?

Mr. Marchand (Langelier): Mr. Chairman, this money is intended for all the municipalities of the national capital region.

As everyone knows, all the sums must be approved by the Treasury Board before they are paid to the municipalities.

I cannot say what was done about each recommendation of the commission, but regarding those amounts, I know that some recommendations concerned not only the city of Ottawa, but other municipalities as well.

Mr. Clermont: Mr. Chairman, this is the purpose of my question: once in a while, I read in the newspapers that some representatives of the city of Hull complain about the fact that the National Capital Commission does not pay the full amount of property taxes that it should and that the city loses an annual revenue of many thousands of dollars. Will the $475,000 help correct this deficiency, if any?

Mr. Marchand (Langelier): Mr. Chairman, I know that the request mentioned by the hon. member (Mr. Clermont) came to my office. It was referred to Treasury Board with the recommendation of the commission. We are waiting for the decision of Treasury Board.

[*English*]

The Chairman: Shall vote No. 20 carry?

Item agreed to.

25. Payment to the National Capital Fund, $15,000,000.

Mr. Peters: Mr. Chairman I should like to find a vote referred to by another member, the one covering the cost to the National Capital Commission of the over-passes on the Beachburg line. Would it be possible to draw that to my attention?

Mr. Marchand (Langelier): That is not in there; it has been paid for previously.

Mr. Dinsdale: Perhaps I could be helpful in this respect. Is it covered in the $39 million that is mentioned in the annual report with regard to railway relocation and construction?

• (5:40 p.m.)

Mr. Peters: I mention this because I discussed the matter with officials of the commission at the time. They said they would not be paying this amount and had no authority to do so. But I told them: You can cover it up much better than the city of Ottawa can. And now we will have to pay for it. The hon. member for Brandon-Souris said the report indicated that payment had been made, obviously by the commission. But this was not an agreement reached with anyone; it was not part of the deal when the line was abandoned. It was a tab that somebody had to pick up because the arrangement had been proceeded with. Even the minister must agree that this is a sloppy way of doing business. Our partners in an agreement cannot do something because the law does not allow it so we have to do it on their behalf. The sum at issue here amounts to about $1,500,000. It is all out in the open because the Ontario Municipal Board held a hearing in connection with it. Residents in the Beachburg line area made very good representations.

If we pass this estimate, what we are really saying is that we do not care whether matters are arranged in this way or whether it is a good way or not. In my opinion this is a poor deal, and the Canadian public will once again have to pick up the bill for Ottawa's mistakes without the house being asked to give formal approval to the expenditure. If the minister says it has already been paid, very well. But I think the country will be awfully surprised if this committee agrees to making good a mistake of this kind in Ottawa's favour without getting anything in return.

The minister is familiar with the process of negotiation. Usually one is prepared to make a concession if something else is given by the other side. We do not seem to be negotiating

in this way with Ottawa. At least five more overpasses are involved, besides the removal of the Beachburg line itself. There should be a clear understanding that the federal government, through the commission, will not bear the cost of the other four or five overpasses and one underpass, and that we intend to demand the removal of the line itself. The underpass at Smythe Road may not be a total loss because the commission might be able to use that area for its buildings and enterprises. But the others could well be a total loss.

[*Translation*]

Mr. Marchand (Langelier): Mr. Chairman, as regards the request made by the hon. member for Brandon-Souris (Mr. Dinsdale), we do not have the details. We shall obtain them and we shall then be in a position to distribute the costs between the National Capital Commission and the city of Ottawa. This will be done and the hon. member will get the information.

[*English*]

Mr. Peters: I am sure that if hon. members had read the Ottawa papers they would not agree that this item could be allowed to pass unchallenged. In my opinion the National Capital Commission had no legal authority whatsoever to hand over this money. It had less legal authority than the city of Ottawa did, and the city had absolutely none. Somebody had to pay for this so we paid for it. I do not know whether hon. members think this is a good way of doing business. As far as I am concerned the argument this afternoon is all about the authority of the commission in relation to agreements of this kind. We make agreements and then the city does not live up to them and we get stuck with the consequences. If members agree to this item they have either changed their minds on the question of its legality or else they do not know that they are paying it, which is worse.

Mr. Marchand (Langelier): There is no provision in the estimates for an overpass this year. The hon. member is talking about money that is already spent. All those expenditures have been approved by the Treasury Board and by the Minister of Finance. We do not propose in these estimates any amount concerning overpasses in Ottawa.

Mr. Peters: I think you do.

Mr. Bell: As one who resides in Ottawa in the Beachburg line area I wish to support the hon. member for Timiskaming and the hon. member for Brandon-Souris in asking whether the amounts which were paid out from the federal treasury in connection with the Beachburg line subdivision, Smythe Road, the Hurdman area and so on are included in this item of $39 million which is shown as cumulative assets in schedule A. If they are I think at some stage, not necessarily immediately, we are entitled to information as to our contribution to this whole Beachburg line fiasco, if I may use that word.

Mr. Peters: It has been paid for, it is being paid for, and it is being paid for by the treasury. Therefore some provision must be in this estimate. I do not see any details at all, just a general figure. Payment was not authorized under the original agreement and it was not authorized in the course of the deal which was made between the railways, the city of Ottawa and the National Capital Commission. This arrangement was made by the city of Ottawa itself. I am sure the National Capital Commission is picking up this tab. It is the only body that can do so. The law does not allow the city of Ottawa to pick it up, and I do not believe the aldermen and council of that day paid it out of their own pockets. I assume we paid it. If the minister says we did not, I should be interested to hear him.

Mr. Marchand (Langelier): I can tell the hon. member that all the money which was spent was approved by the Treasury Board, by the Minister of Finance and by the minister responsible for the National Capital Commission. If members want a breakdown of the $39 million we are ready to provide it so that the committee may know exactly how the money was spent.

Mr. Dinsdale: I am sure the minister has the report of the National Capital Commission before him—the 1967-68 report, Part II. I have been trying to discover for myself just what is involved in this cumulative total presented on page 14 under the heading "railway lines and structures". In 1967 the total was $35,634,719, and in 1968 it was $39,307,116. I presume that the Beachburg line expenditure would be included in that total. I have searched through this report and there is no breakdown anywhere. We are told that the acquisition of property, for example, in connection with the green belt, cost almost $37 million, which is a substantial amount, but there is no similar breakdown as far as I can see in connection with the subject we are now discussing. I presume this omission arises from the fact that the whole Beachburg

proposition was an afterthought, not included in the original planning. There still seems to be confusion in this regard.

• (5:50 p.m.)

Is it not possible to indicate to the satisfaction of the committee whether the additional expenditures for the Beachburg plan, as contrasted with the Walkley Road plan, are represented in this substantial figure of $39 million? I made the point in my initial statement that it is these sudden changes, on the basis of modification and refinement, that seem to get us into trouble with these huge expenditures. The committee ought to know the basis of these estimates.

Mr. Marchand (Langelier): We might break the estimates down, Mr. Chairman. When the hon. member complains that the expenditures on the green belt have been $36 million I point out that that amount is not for last year. That has been spent since 1947. The same is true for the $39 million spent on railways. That $39 million has been spent since the inception of the commission, or in the period from April 1, 1947, to March 31, 1968. Of course, we can break down the amounts that have been spent but all these amounts of money have been approved regularly. If the hon. member wishes for more details we can try to produce them.

Mr. Peters: The minister seems unable to say how these expenditures have been covered, if one may put it that way. Obviously the National Capital Commission has had authority for that expenditure. It has been approved by the minister and by Treasury Board. Yet it seems to me that the matter of the Beachburg line contravenes certain agreements which have been made, and I am wondering how that has come about. Why are these matters not set out more clearly in the commission's estimates so that we can find out exactly what has happened? One may argue that expenditures which have been made were foolish. Nevertheless, when a contractor has done a job he is entitled to be paid. I think there ought to be greater detail in these estimates. Certainly I do not think we ought to go back 30 years to find out what happened. The Beachburg matter is a special expenditure and ought to appear as such.

Clearly the municipality and the federal government do not always see eye to eye. If the government says it will build a road from the airport to Heron Road, the municipality may say: In that case we shall build a road somewhere else. That kind of thing does go on.

An hon. Member: We have had sloppy bookkeeping.

Mr. Peters: I wonder why a better job was not done with regard to these estimates. Certainly this expenditure is not normal. I do not see why it does not appear in a different form.

Mr. Bell: Although I am not too knowledgeable about the Beachburg line matter I do say that under our parliamentary system members must exercise their responsibilities. I realize that the minister was not involved in the original decisions on this matter. All the same, under our parliamentary system we must approve in a general way lavish expenditures such as those that have obviously been made on the Beachburg line.

I do not know whether those expenditures were justified. From what I have heard generally and in the streets of Ottawa, the Beachburg line appears to be a fiasco. Perhaps the entire matter ought to be investigated by a committee. Obviously it is too late to stop the entire business but we must exercise our responsibilities under the parliamentary system and go into the matter to determine in dollars and cents how much has been spent and how much ought to be spent on the Beachburg line project.

The form of the estimates is to be changed and there is no sense in holding up these estimates. I think, however, that it might be a good idea to bring this entire matter before the public accounts committee. I say that as one who has always had doubts about this matter. As members of parliament we all have a responsibility to look into the matter. I am not suggesting that there has been anything dishonest here.

An hon. Member: It was sloppy.

Mr. Bell: There has been no corruption. It is just a matter of sloppy bookkeeping and we ought to look into the entire business, no matter if we are from Ottawa or from other parts of Canada.

Mr. Marchand (Langelier): I think the hon. member is quite right. We do not want to hide anything and I hope we shall have an opportunity to look into this in depth. I hope to bring this opportunity about in future.

The overpasses are part of an agreement. The N.C.C. paid its share and the city of Ottawa paid its share, and there is nothing

wrong with that arrangement. As the hon. member knows, parliament votes certain funds to the commission and before expenditures are made they are once again approved by the Treasury Board, the Minister of Finance and the minister in charge of the project. This has been the general procedure that has been followed. Of course, if the house wishes any information it is entitled to have it. That is why I want to break down some of these items and at the next opportunity or occasion we will supply the details to the house.

Mr. Dinsdale: When the minister says "the next occasion", what occasion does he have in mind? It is important for us to know how soon this information will be available and in what form it will be given to us. Will the minister present it to a committee of the house?

Mr. Marchand (Langelier): Of course, there will be the estimates for 1969-70. Those are far away, I know. But if we constitute this committee we speak of I hope to have all the information ready to supply to its members. In that way they will know exactly what is going on in the commission.

Mr. Peters: Could the minister ask the National Capital Commission to give interested members of parliament a report on all the stages the commission went through in arriving at its decision to act on the Beachburg line matter? I am not asking for original agreements or anything like that. At one stage there seems to have been a breakdown in discussions. We want to know what took place after that.

An agreement was entered into and then some things were done that were contrary to that agreement. It is true that the National Capital Commission acted reluctantly. We want a breakdown of what happened. On the understanding we are to have that breakdown we are prepared to pass these estimates. This is a matter of public accounting.

Mr. Marchand (Langelier): We will try to supply the information the hon. member seeks as soon as possible. Perhaps it will be within the next few days.

Item agreed to.

(The following items were agreed to:)

National Capital Commission—

L90. 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", $4,500,000.

L95. 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", $400,000.

The Chairman: That concludes consideration of the estimates of the National Capital Commission.

The time being six o'clock shall I rise, report certain resolutions and request leave to sit again later this day?

Some hon. Members: Agreed.

Resolutions adopted in committee of supply this day reported and concurred in.

• (6:00 p.m.)

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It being six o'clock it is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for Regina East (Mr. Burton)—Grain—Saskatchewan—reported inadequate drying facilities; the hon. member for Moose Jaw (Mr. Skoberg)—Post Office Department—reclassification of surplus railway mail clerks.

It being six o'clock the house will now proceed to consideration of private members' business as listed on today's order paper, namely, notices of motions.

HOSPITAL INSURANCE

SUGGESTED INCLUSION OF MENTAL HOSPITALS AND T.B. SANITORIA

On the order:

Notices of Motions—Mr. Orlikow:

That, in the opinion of this house, the government should consider the advisability of including mental hospitals and T.B. sanitoria in the federal hospital insurance program (Hospital Insurance and Diagnostic Services Act) so that the provinces will have available sufficient funds to provide for adequate treatment of the mentally ill, those people suffering from T.B. and the care and training of mentally retarded children.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, in view of the fact that the hon. member for Winnipeg North (Mr. Orlikow) is

at the United Nations I wonder whether this motion could stand and retain its position?

Mr. Speaker: Stand at the request of the government.

Mr. Knowles (Winnipeg North Centre): And retain its position?

Mr. Speaker: Is it agreed that this motion will retain its position on the order paper?

Some hon. Members: Agreed.

Motion stands.

JUSTICE AND LEGAL AFFAIRS

ELECTRONIC EAVESDROPPING—SUGGESTED STUDY AND REPORT BY STANDING COMMITTEE

Mr. Robert Stanbury (York-Scarborough) moved:

That the standing committee on justice and legal affairs be empowered and directed to consider and report on the subject matter of electronic eavesdropping and to recommend legislative action which may be desirable and effective for its control.

He said: Mr. Speaker, I must confess that this motion was placed on the order paper in the hope that it would bring before the house more promptly than a private bill the subject of electronic eavesdropping. I first introduced a bill on this subject at the beginning of the twenty-seventh parliament. I have introduced a more refined bill in this parliament, but I recognize that neither my bill nor others dealing with the same subject which are on the order paper are adequate to cope with the very serious threat to freedom posed by electronic eavesdropping practised in this country.

I am glad to see that this danger has become better known within the last few months. I think there is now the prospect of action on the part of the government to recognize the invasion of privacy which electronic eavesdropping devices represent.

My own bill, Mr. Speaker, tries to raise and touch on most of the issues which have been considered by law, police and civil rights authorities in discussing electronic eavesdropping. It covers a somewhat wider field than proposals which deal with only wiretapping, a rather primitive form of electronic eavesdropping. I do not put forward the suggestions in my bill as the last word but rather as a basis for discussion, and I have submitted this motion in an effort to have the kind of public discussion which I feel is needed in order to develop adequate laws for the control of electronic eavesdropping. My own view is that electronic eavesdropping or wiretapping should be a criminal offence except when performed by police under strict statutory controls. My bill stresses the seriousness of this matter by providing for mandatory imprisonment of between one month and two years upon conviction of unauthorized use of any device for eavesdropping or interception of telephone and telegraph messages, and makes inadmissible in any trial or inquiry information obtained by such means where the use of such listening devices was not authorized in accordance with the statute.

I am encouraged by the fact that the Minister of Justice (Mr. Turner) has indicated that he looks for legislation somewhat along these lines early in the coming year. I think it would be a mistake for the government to propose such legislation without having the benefit of public hearings and a great deal of technical data on this most complicated matter, as well as the opinions of interested individuals and groups in our country. Therefore, Mr. Speaker, I hope that my motion will be accepted so that this most serious matter will receive the attention of the standing committee on justice and legal affairs in wide-ranging public hearings, and that legislative action will then be recommended by that committee for consideration by the government and by this house.

I do not see how any member of the house could fail to recognize the serious risk to our freedoms which wiretapping and electronic eavesdropping now constitute. I hope that all hon. members will support this effort to bring the practices in this field out into the open, to learn the extent of the problem, and to develop means of coping with it.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I am delighted to support the proposal in this motion and I commend the hon. member for York-Scarborough (Mr. Stanbury) for his initiative in placing this matter before parliament. I hope that the necessary arrangements have been made within the structure of parliament so that the motion can be adopted.

It is more than desirable, it is necessary that criminals be detected and prosecuted as vigilantly as possible. It is more necessary that citizens of a democracy be protected in their rights of privacy from unwarranted snooping. As an instrument for oppression of free citizens, I can think of none worse than indiscriminate wiretapping.

That is an extract from a letter written by the late President Franklin Roosevelt to representative Thomas Eliot some 27 years ago. It was published as part of the material during the hearings of the house judiciary subcommittee on wiretapping in the 77th Congress of the United States.

I think it is extremely valuable that this matter is at last being raised here in Canada through the instrument of parliament. Police and crown prosecutors who have no doubt that an accused is guilty feel frustrated when they cannot prove it. In such cases the use of wiretapping, microphones and other devices of the same kind could be a useful weapon. But such means of combating crime can open the door to many abuses and dangers affecting the privacy of people. Privacy, or the right to be let alone, is perhaps the most personal of all principles. It is also one of the newest in societies which have the capacity to nurture that subtle and most treasured possession of man, his dignity.

• (6:10 p.m.)

I believe it also rather appropriate at this stage, when meetings are to be held here in Ottawa on human rights starting on Sunday, December 1, and continuing for a number of days with a rather ambitious program, and when human rights are being so appropriately stressed by the United Nations, that this issue which affects the human rights of all of us should be the subject matter of debate. The dilemma is whether and to what extent law enforcement officers should be allowed to engage in wiretapping and, if the right is conceded, under which circumstances the tapping should be tolerated?

Already another question arises: Is evidence obtained by tapping in derogation of the law admissible before the courts? A few months ago a royal commission was set up in British Columbia with full powers to conduct the fullest possible inquiry into bugging, the word commonly used. This happened when a certain pulp union president, Lloyd Craig, was found dead in a hotel in Vancouver and electronic eavesdropping equipment was discovered in his room as well as in two other rooms of the hotel. The premier of British Columbia stated that there would be a wide open investigation into all aspects of the case. About the same time in 1967 the prime minister of Britain was asked whether telephones of members of parliament were being tapped. I am glad to see that he allayed the fears of members. He said:

> I feel it right to inform the house that that there is no tapping of the telephones of hon. members, nor has there been since this government came into office.

As the hon. member for York-Scarborough points out, the issue here has been the subject matter of various bills but their progress has been frustrated by the fact that up until now parliament, with rare exceptions, has not seen fit to let private members' bills go through. Ramsay Clark, the present attorney general of the United States—and I think the record will show him to be a distinguished one when the heat of the election battle dies—told a senate judiciary committee:

> Public safety will not be found in wiretapping. Security is to be found in excellence in law enforcement, in courts, and in corrections. That excellence has not been demonstrated to include wiretapping.

The same report continues:

> Legislation proposed by President Johnson would prohibit wiretapping and electronic eavesdropping except in cases directly related to the national security.

In the context of matters which affect our national security I would hope that there would be very careful guide lines set out concerning the circumstances under which the police could exercise this extraordinary remedy. Years ago that very great justice of the United States supreme court, Louis D. Brandeis, had this to say about privacy—and if he were living today I think he would want to have these words underlined three times because our privacy today is being invaded far more than it was in the days of that great judge:

> The right to be alone—the most comprehensive of rights, and the right most valued by civilized men.

The writer of the article, Mr. Carl T. Rowan, wrote:

> I find it saddening, perhaps shocking, that the civilized men of our generation submit so meekly to the grossest invasion of privacy—and all because of the expediency of fighting crime or securing the nation against communists and other spies.

Mr. Rowan concludes with these words:

> And the right of privacy isn't terribly precious if you don't stand for anything, if you run from all controversy, if your private love life is close enough to non-existent that you aren't bothered by having your boudoir turned into an electronic maze. You can say righteously, "I've got nothing to hide. Only somebody with something to hide should mind wiretaps and buggings."

Surely our society is not so desperately endangered that to cope with the thugs and the spies we have to give up that "most comprehensive of rights" enjoyed by civilized men.

I think the standing committee on justice and legal affairs would be an appropriate forum before which to have this issued considered. I hope the house will see fit to endorse the proposal.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I take delight in endorsing this motion. It has our wholehearted support and approval. I shall demonstrate my interest in it by saying very little on the subject because it is so commendable I do not think a lot of extra words will add to it. I certainly hope it is passed by the house so that the committee will have an opportunity to examine this question.

As the hon. member for Fundy-Royal (Mr. Fairweather) has so eloquently said, there is nothing more fundamental than the right to privacy. We live in an age of electronics and technology. It is an age of ever-expanding means of suppressing the spirit, initiative and individualism of men. We must be very careful in this modern world with its marvels of science and technology that we do not destroy the human spirit.

It is very often suggested that electronic eavesdropping is justified on the ground of efficiency. I do not think it is even efficient. I was involved in one of the first cases in our courts when some electronic eavesdropping material was offered in evidence and as a matter of fact was accepted. From that experience I found how painfully easy it is to doctor up the tapes and recordings that are made by electronic devices. A man could be sentenced to imprisonment or death as a result of doctored evidence that was supposed to have some scientific validity. There are handwriting experts who can deal with writing, but when a voice comes through an electronic device an alteration can be made very easily by a skilful person. Therefore I do not think these devices are even efficient.

I believe that in respect of crime there must be a balance between the public interest and the individual. There must be a balance, but in this field I believe the balance should be weighted on the side of individual rights. So in keeping with my undertaking to be brief I simply commend this motion and hope it will come to a vote.

[*Translation*]

Mr. Jean-Charles Cantin (Louis-Hébert): Mr. Speaker, the Minister of Justice (Mr. Turner) shares the opinion of members of this house who consider the development of this modern technique as having serious effects upon the private life of citizens.

Looking carefully at the motion, one finds that the definition of electronic eavesdropping is flexible enough to include wire tapping in the case of telegraph communications. Therefore, I intend to propose later on, seconded by the hon. member for Gloucester (Mr. Breau) that not only this motion but also Bills Nos. C-17, C-18, C-24 and C-78 be referred to the standing committee of this house on justice and legal affairs.

It is also my intention to ask the house to permit the scope of this motion to be broadened so as to include the bills mentioned above.

Besides, I know that other members would like to speak on this subject. I shall yield to them now, in the hope that I will be given the opportunity to rise again at about 6:55 p.m. and present the motion I just mentioned.

• (6:20 p.m.)

[*English*]

Mr. Warren Allmand (Notre-Dame-de Grâce): Mr. Speaker, I was very pleased to hear the parliamentary secretary state he was prepared to permit this motion to be referred to the committee. As a matter of fact, the motion itself suggests that the question of electronic eavesdropping be referred to the committee on justice and legal affairs. I merely want to state that I give the motion my full support, because of experience I have had with private investigators. There seem to be more and more of them who are using these new electronic devices for eavesdropping or listening in on people. In this day and age people are living in closer and more cramped quarters. Our cities are becoming more populous and people are living almost on top of one another. Privacy is becoming a very rare thing and we must do everything possible to protect it. Perhaps we have reached the point where eavesdropping should be made a crime so that every citizen is protected in respect of his right to privacy.

The hon. member for Fundy-Royal (Mr. Fairweather) quoted some prominent gentlemen and pointed out the importance of the right to privacy, as was pointed out by the hon. member who introduced this measure. The citizens of this country are already being

looked at, listened to and telephoned against their will. They have very little privacy left, and we must make sure they are not overly subjected to any more infringements of this kind.

The Canadian Bar Association dealt with this matter at a convention held this year, and at that time a lengthy debate on this subject was held. I personally prefer the resolution which was prepared by the civil liberties section of that Canadian Bar Association. However, the one finally passed more or less expresses my thoughts on this subject. It suggested that as a general rule all electronic eavesdropping be made a criminal offence except as may be specifically provided by statute. As I said, I prefer the exception in the original resolution put forward by the civil liberties section, which was to the effect that all electronic eavesdropping be made a criminal offence, with the proviso that electronic eavesdropping may be employed by law enforcement agencies under judicial control; in other words that this should be dealt with in the same way as we now grant warrants for search, arrest and so on.

As some hon. members have said, it is possible that under judicial control, agencies of the crown which are necessary to detect crime might have to use these methods; but they should be subject to strict judicial control. Otherwise we would end up having a system similar to that described by Mr. Orwell, where big brother would have the right to peek in at us, and listen to us against our will. If we were to allow that we would end up with a gradual destruction of one of the most cherished rights we have; that is, the right to privacy.

Mr. Colin D. Gibson (Hamilton-Wentworth): Mr. Speaker, eavesdropping and wiretapping are vicious practices and highly immoral evils. I support the reasonable suggestions advanced today which would empower parliament to enact measures to restrict these evils. It is true that in the field of crime detection, with proper safeguards, such as obtaining an order from a judge, the crown should not be prevented from using these devices in the interests of justice. However, such practice should be carefully confined to approved investigations under strict judicial control, and such controls can be imposed by an alert and modern House of Commons. In my view eavesdropping and wiretapping are extensions of the old law of trespass. The right to privacy needs judicial expression, and now is the time for parliament to create legislation to protect the citizen from abuse of his right to privacy.

We have this evil in two contexts. First we have the criminal context where, if controls are imposed by parliament with care, eavesdropping and wiretapping may have a good effect in the field of Canadian justice. On the other hand if there is any stretching of the legislative use, or any illegal use, we may have more injustice and a marked increase in trespass.

So far our law does not protect the citizen by spelling out the right to privacy. Capricious business practices must be prohibited as we advance with the technological age. It will be a matter of great satisfaction if parliament brings in progressive legislation to curb the trend toward the invasion of privacy. The time has come to treat such invasions as crimes.

Our neighbours in the United States of America are struggling with this problem. To quote the United States text, "The Intruders" by Senator Edward Long, at page 183:

> Most state legislatures, like Congress itself, have failed to keep abreast of advances in the field of privacy invasion.

It continues:

> If some vestige of individual privacy is to be preserved for the average American adequate laws both state and federal must be enacted and enforced.

• (6:30 p.m.)

In this great country of ours I suggest this is a field in which the provinces and the federal government should act. I strongly urge that at subsequent federal-provincial conferences, and if possible at the current one if there is time, this matter should be included on the agenda. The provinces are closely identified with the federal government in tracking down criminals, and I think if there was uniformity through use of the federal-provincial conference as a guide line, all the legislatures could adopt uniform and standard practices from one end of this great nation to the other.

Mr. Hyliard Chappell (Peel South): Mr. Speaker, as a practising barrister I appreciate the problem these new electronic devices have created, including the threat to privacy in almost every way of life. At the same time I recognize the need to use these new devices under control to combat crime as it becomes more sophisticated. It would seem the subject warrants detailed and thoughtful study. We in

the committee on justice and legal affairs will welcome it there.

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, I am pleased to support the motion which is before the house because it seems to me this is a subject which requires a great deal more detailed consideration than it has been possible for it to receive up to this time. I think one of the main reasons for this situation is that traditionally the right of privacy has not been firmly established as one of those rights of the subject which have come down to us through the ages. It is a developing right, a modern right perhaps, as contrasted with some of those which we have had through centuries of English history.

The traditional political freedoms such as the freedom of the press, freedom of speech, freedom of religion, freedom of assembly and association, are those which are considered to be necessary for the continuance of our democratic system; they are those which are basic to the political process of this country. Freedom of speech is so directly related to this concept as to require no comment at all. The freedom of assembly, and even that of association, are also, I think, so directly related to the question of maintaining our democratic political system as to require no comment.

But the right of privacy does not have such an intrinsic place in terms of the political process; though I venture to say that many people in this country, if put to the test, if questioned whether they thought the right of privacy was an existing and important right, would perhaps contend that it is the most important right of all. It would seem to them, perhaps, to be more closely related to very fundamental matters such as the freedom of conscience and the freedom of religion.

This whole area has perhaps not been as firmly established in our jurisprudence and history as the more public rights. If we are ever to establish this right more firmly, to consider it not just in its context of wire tapping but also in the other manifestations which it may have in modern life, I think we will have to devote a great deal more study to this matter. This is now being done, of course, in other jurisdictions. In the United States a great deal of attention has recently been devoted to the question of the right of privacy, but it is not a right which in this country has been the subject of such great attention.

I do not believe it is covered in the Canadian Bill of Rights, and perhaps it would not even be included in any revised bill of rights which might be adopted by a Canadian constitutional convention. It has its relationship to the law of torts and to private law subjects such as that, rather than to the field of public law, which is normally the one which is more securely and definitely covered by the bill of rights.

I suppose the justice committee would be restricted in its consideration of the right of privacy to this particular kind of infringement of it. Nevertheless, even in considering this one particular type of infringement a wider consideration would have to be given to this very fundamental and basic right. I would therefore hope that a much more thorough idea of this basic right and its place in our society would emerge as a result of the kind of study which could be given. Therefore I am pleased to support this motion and to express my hope that the justice committee will give the widest possible interpretation to the terms of reference.

Mr. D. W. Groos (Victoria): Mr. Speaker, in rising to speak in support of this motion I have only a very few words to say. They are directed to part of the wording of the second line of the motion as follows, "the subject matter of electronic eavesdropping". It is the word "electronic" to which I wish to refer. I hope that when the committee gets down to the work of studying this matter they will not limit themselves to purely electronic eavesdropping, because as they get into this matter they will be aware, as probably you are also, Mr. Speaker, that the matter of surreptitiously listening to other people's conversations goes far beyond purely and simply electronic means.

In this day of such sophisticated Buck Rogers types of things as laser beams, and so forth, which are not exactly electronic in themselves although they may require some electronic device attached to them to suit the purpose—

Mr. Fairweather: Those regional desks of the Prime Minister (Mr. Trudeau) might want them.

Mr. Groos: I am sorry, Mr. Speaker; I could not hear what the hon. member said, so I cannot comment on it. When the committee gets down to the study of this matter I hope they will not, in these days when there are so many more sophisticated means of listening in to other people's conversations than by

purely electronic means, in these days of laser beams and optical means of picking up conversation, find the wording of this notice of motion is too restricted to give them the full benefit in what I think will be very important work.

Mr. Speaker: I appreciate that the hon. member for Louis-Hébert (Mr. Cantin) wishes to take part in the debate, but I must bring to the attention of the house that the hon. member has already spoken on this motion and can take part again only by unanimous consent. Is that agreed?

Some hon. Members: Agreed.

• (6:40 p.m.)

Mr. Cantin: Mr. Speaker, as I said a minute ago I am rising to propose that the standing committee on justice and legal affairs be empowered and directed to consider and report on the subject matter of electronic eavesdropping and on the subject matter of Bills C-17, C-18, C-24 and C-78, and to recommend legislative action which may be desirable and effective for its control.

Mr. Speaker: Before putting the motion before the house I should like to bring to the attention of the house that we are dealing with bills standing in the names of a number of hon. members. I am wondering whether it is quite in order to ask that these bills be discharged from the order paper without some assurance that there is agreement on the part of the members involved to have the subject matter of their bills referred to the committee in question.

Mr. Cantin: I can assure you, Mr. Speaker, that I have the agreement of the hon. member for Winnipeg North Centre (Mr. Knowles) to put forward this motion.

Bill C-17 is to amend the Criminal Code (invasion of privacy) put forward by Mr. Mather; Bill C-18, to amend the Criminal Code (wiretapping, etc.) is put forward by Mr. Peters; Bill C-24, to amend the Criminal Code (control of electronic eavesdropping and wiretapping) is put forward by Mr. Stanbury, and Bill C-78, to amend the Criminal Code (wiretapping, etc.) is put forward by Mr. Orlikow.

Mr. Speaker: My understanding of the motion proposed by the hon. member for Louis-Hébert is that it would read as follows:

That the motion now before the house be amended by adding after the word "eavesdropping"

[Mr. Groos.]

the following: "and of the subject matter of Bills C-17, C-18, C-24, C-78—"

Mr. Cantin: I so move.

Mr. Speaker: Is the house ready for the question on the amendment?

Amendment agreed to.

Mr. Speaker: Is the motion as amended agreed to?

Motion (Mr. Stanbury) as amended agreed to.

Mr. Forest: Mr. Speaker, considering the progress we have made tonight, I wonder if the house would agree to call it seven o'clock.

Mr. Speaker: Is there agreement to this proposal?

Some hon. Members: Agreed.

At seven o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

SUPPLY

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

The Deputy Chairman: The committee will resume consideration of the estimates of the Department of Labour which will found at page 264 of the Blue Book, and the details at page 266. For the information of hon. members I may say the estimates were last considered on November 21.

DEPARTMENT OF LABOUR

1. General Administration, including grants as detailed in the Estimates, $1,962,100.

Mr. Skoberg: The other day when vote No. 1 of the estimates of the Department of Labour was being considered, it was suggested by an hon. member that there would be a great exodus of workers from Saskatchewan. I should like to suggest that the exodus of workers from Saskatchewan only began when the Liberal government, the far right Liberal government, took over in that province. It was suggested also that the New Democrats had failed in their attempt to govern that province. I should like to suggest that the only failure of the New Democrats in Saskatchewan was to allow this prairie Gold-

water type to get his tentacles on the reins of government. It would be interesting if the premier of the province of Saskatchewan were able to listen to the comments of the Minister of Labour, in so far as these estimates are concerned. I am sure it would be an education for him.

The fact of the matter is that the province, of which I am proud to be a member, experienced an increase in population of some 100,000 during the time the New Democrats were in power. Since the advent of the new Barry Goldwater type of government, we have failed to maintain our natural increase in growth. I am sure this statement could be substantiated quite easily. I may say that whenever the hon. member for Burnaby-Seymour speaks I am led to believe that the premier of Saskatchewan is speaking in Ottawa at that time.

There is one aspect of these estimates with which I am pleased, and that is the continual participation of our government in the labour college of Canada. If I read the estimates correctly, I believe the government has increased its objective somewhat in that area. In my view this is one of the most worthwhile projects in which the government can participate. I should like to see the government give serious consideration to increasing the grants to both Canadian students and people who come from abroad to this college. This brings about a closer relationship between the various nations of the world.

Another point I should like to bring to the attention of the minister concerns our participation in the I.L.O. It is my understanding that the representatives we send to the I.L.O. take a very active part in that organization. However, it is unfortunate that these representatives are not able to ratify any of the proposals made in the I.L.O. until such time as the provincial governments are consulted. We are aware of course that some of the proposals made in the I.L.O. deal with the very minimum standards and regulations governing labour in the world. I believe it might be useful if our representatives could be given the authority to ratify these proposals at the I.L.O. I realize of course that such a move would necessitate close working relationships with the provinces, and I ask the minister to pay particular attention to that phase of the operations of his department.

I am sure, Mr. Chairman, that the job retraining program is one that needs very close co-operation between the federal government and the provinces. Everyone is aware of the fact that many municipalities have high rates of unemployment, and for that reason it is important that technical schools be available in these municipalities. When one realizes that it is sometimes necessary for an individual to undergo six retraining programs in order to make his contribution to society, he can realize how important it is that we look after the retraining of these people. I believe this program is one of the most worth-while contributions the government can make. We do know that technical schools provide a service, and that without them we would be in dire straits on many occasions. I hope there will be no need to bring in anybody from another nation to fill some of the vacancies especially in the field of languages, because I am sure we have qualified personnel in this nation to look after that situation.

One of the members on the government side spoke about the Rocky Mountain House area and the lack of people to mine coal in that particular section. While this may be true, from what I have been able to ascertain, the living facilities in this area leave much to be desired. I believe it is the duty of the federal government to make sure that, if we are going to retrain and relocate people, we have the living facilities for those people in the areas concerned. While it may be true that there is a need for miners in the Canmore area, I am sure many families would not want to be uprooted from Nova Scotia and sent to Canmore, if they were unable to find places in which to live.

There is one thing I should like to question, Mr. Chairman, and this relates to the labour and manpower departments. It does not make any sense to me to have two departments, especially in view of the amount of indecision that could result therefrom. No doubt there are jurisdictional disputes between these departments as to which will handle a particular matter that may come up for decision. We often hear of jurisdictional disputes amongst labour unions, but I suggest that this government certainly stands accused of having jurisdictional disputes within it. As a new member of parliament I know that often when I try to get information I have to go to sometimes six different departments before I find the right one which will give me the information. I suggest that we should take a very close look at these two departments from the point of view of having the two departments merged into one.

In so far as labour legislation is concerned I am sure many of us know that some of the

most irresponsible labour legislation passed in any nation in the world has been passed in this country. I am sure there will be some members who will stand up and cite certain cases in their own provinces. I am sure many of us know that many provinces have an anti-labour element in them, and as a result little consideration is given to the democratic rights of the individuals living within the boundaries of these provinces. I feel that if we had a strong lead from the federal government we would not find so many of these provincial governments deliberately trying to take away the rights of the working people. I do not say for one moment that labour should not accept a responsible role. In my contacts with the majority of labour leaders in this country I have found they were prepared to accept their responsibilities at any time, provided management would do the same, and here the term management must include federal and provincial governments. Unfortunately this has not been the situation in all cases. However, from the attitude of the minister, I would hope that within a very short time—I mean, in a matter of months—we shall see some lead taken by this government.

• (8:10 p.m.)

I should like to refer briefly, now, to one or two of the recommendations contained in the report of the Freedman commission. The situation today makes it necessary to consider the fundamental reasons behind these recommendations. For instance, the Brotherhood of Railroad Trainmen has tried its utmost to get this government to realize that it is important to recognize the doctrine of managerial rights for what it is. To this date, the union has been unsuccessful in this approach, like many other unions in the running trades. The Freedman commission pointed out that there is a gap in the provisions of the Industrial Relations and Disputes Investigation Act which permits employers to run roughshod over the rights of employees during the closed period of an agreement. By contrast, I would refer briefly to the legislation covering collective bargaining in Sweden. One section of the relevant act provides that during the lifetime of an agreement neither party can resort to direct action to change its terms or to settle a dispute over the interpretation or application of those terms.

This is at the root of the majority of labour problems across Canada today. Employers are trying to change the interpretation of collective agreements during the life of the contract. The legislation never intended that this should be possible. But management has used the present provisions to its advantage, and the federal government itself is at fault for allowing the situation to continue for so long. At the request of the Brotherhood of Railroad Trainmen, a conciliation board was established by the federal labour department, one of many such boards. One of the major items the board was called upon to deal with was the union demand to give effect to the Freedman proposals. Having heard arguments from both parties, the board concluded as follows:

> We believe that the differing viewpoints will not be resolved by negotiation. The only alternative therefore is legislation.

This was in 1966. Let us go back as far as 1961, when I am sure there was another government in power. The brotherhood then asked for a rule to provide that no material change or alteration of conditions of employment should be made during the currency of the contract unless mutually agreed to by both parties. In the absence of agreement the dispute was ultimately dealt with by the Robinson conciliation board. In a majority decision dated April 2, 1962, the board found as follows:

> That this is a major problem which will require the full co-operation of management and labour alike is generally recognized but it would appear the solution is not likely to be readily found and may require the attention of parliament itself.

As was required by the Industrial Relations and Disputes Investigation Act, copies of the majority report were sent not only to the parties in dispute but also to the federal labour department. My point is that we called attention to this problem as far back as 1961, but nothing was done. If this government means what it says, and if the minister means what he said, there is no reason why these recommendations of the Freedman report should not be brought before parliament for approval. And I see no reason why any hon. member should oppose these recommendations.

Responsible management has nothing to fear from the implementation of these recommendations. It is true that in various parts of the country types of management can be found who claim that the recommendations of the Freedman report would, if implemented, remove their right to initiate working conditions, and so on. None the less, many people high up in management are quite prepared to accept the recommendations, and I am sure

that those who do not wish to accept them, preferring the old laissez-faire system, are long outdated and should be given no consideration whatsoever.

The organization to which I referred earlier in connection with its efforts over many years to give effect to the recommendations of the Freedman report is now once more going before the public with its contract negotiations. The brotherhood intends to make a determined effort to protect its members from the adverse effects of technological and organizational changes. It is again demanding a rule which would require the railway companies to negotiate the introduction of operational changes which would affect working conditions, as recommended by the Freedman commission. Seven years have gone by during which nothing has been done. The minister told us he is prepared to sit on the back benches if his proposal is not accepted by the cabinet. I hope he is not required to do so, but that remedial measures will be introduced during the next few months.

What about the government's own position as an employer? I will mention briefly the position of the postal workers. As things stand today, the rights of management are spelled out clearly but the rights of the postal workers are buried in civil service jargon which confuses everyone who attempts to understand it. The Public Service Alliance of Canada and some of the associations it represents have been given repeated assurances that there will be no change in the terms of contracts until the bargaining process had been completed. It is my understanding, however, that the federal government has made a unilateral interpretation concerning working rights without bothering to consult the other parties concerned. I suggest it is high time this government accepted its responsibility and listened to the proper sources for advice as far as the rights of parties to a contract are concerned.

There is another matter which consistently bothers me. I refer to the position taken by those who urge legislation to bring about compulsory arbitration of labour disputes. Various voices are raised from time to time to this effect, including those of the builders exchange, the U.G.G. and the wheat pools. In some areas they are joined by the chambers of commerce, though not in all cases—chambers of commerce have gone a long way to recognizing the fact that workers should have equal opportunity with management. Then, of course, there are the John Birch societies and the Ross Thatchers in whatever province they may be. That is a political question, and I hope something can be done about it.

I should like to remind those who suggest the introduction of compulsory measures that on May day, 1933, Hitler declared a national holiday, officially called the day of national labour. The trade unions, taken by surprise, thought this was a wonderful thing. But on the following day trade union offices were occupied, union funds were confiscated, the unions were dissolved and their leaders arrested. Hitler brought in a law providing for the abolition of collective bargaining, and he said that henceforth labour disputes would be determined by trustees. Have we not all heard the term "labour trustee" recently? Hitler then went further and said that the decision of the trustees was to be legally binding. The law outlawed strikes. We have heard about this, too, in recent days. Hitler promised to restore the absolute leadership and authority of the employers, and said to them, "You let me decide what should be done." Before the employers realized what had happened, Hitler had taken over the employers' associations and the cycle which destroyed democratic institutions and associations in Germany was complete. Hon. members ought to read "The Rise and Fall of the Third Reich" to learn what may be the final implications of compulsory arbitration. Hon. members who advocate compulsory arbitration ought to know exactly what they advocate. In any event, the rest of us ought to inform them what is involved. I suggest that the Minister of Labour is on trial today. If he does not produce the goods—and he knows what I mean—he will suffer the consequences.

• (8:20 p.m.)

I now wish to talk about the matter of trade union returns. Since the minister is not here perhaps his representative will take note of what I am saying. The Trade Unions Act as well as the Corporations Act require unions to file certain returns. It may not be known that labour unions voluntarily publish that information in a booklet that deals with labour organizations in Canada. The information published therein is a duplicate of the statistical information that must be filed with the Department of Labour. Hence there is duplication of effort here, the labour unions being forced, so to speak, to compile two identical sets of data. I hope the minister will examine this matter, since there is no need to publish two similar sets of figures.

One reason for unrest in the labour field stems from the foreign ownership of our industry. A case in point is the Robin Hood flour mill at Moose Jaw. That Robin Hood flour mill was owned by a Minneapolis milling concern. At one time in Moose Jaw, on the company's notice board, there appeared a notice having to do with the Trading with the Enemy Act. It was quickly removed, no doubt on advice from higher authority within the company. The point is that the mill closed down and moved elsewhere. That mill, which was located in one of the best wheat growing areas of Canada, was forced to close because its parent company stated there was no market for its product. The mill was not under Canadian management. When it closed, many were unemployed. The point is that all across this country many people are faced with a similar situation. What is of concern to our labour force ought to be of concern to us all.

Another point I wish to raise, which admittedly is of minor importance, has to do with returns that labour unions are to file under the Corporations Act. It seems that the law has not been applied equally. Since the act was passed by the house I think only one corporation return has been filed; at the same time I think all unions that were supposed to file a return have filed one. That is no way to enforce legislation. It is no use saying that the legislation cannot be enforced, because too many small companies would have to file returns. The law should apply equally to all. It is up to government to make certain that management and labour co-operate effectively. We shall not have a good spirit between labour and management if the law is applied to labour but not to management.

May I conclude my remarks by saying a word about human rights. The international human rights year was celebrated last year. Out of that celebration came a document entitled, "Universal Declaration of Human Rights". The two articles I wish to bring to the attention of the house are as follows:

Article 23. (1) Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment.

(2) Everyone, without any discrimination, has the right to equal pay for equal work.

I suggest that the Minister of Labour ought to take note to those two clauses, especially when one considers the promise he made a few days ago.

Mr. MacGuigan: Mr. Chairman, I wish to speak about the 338 workers at the Ford Motor Company of Canada Limited at Windsor, who were laid off last week. I also want to speak of the lay-offs which will occur in the next few months, until approximately 1,000 men have been laid off. Unquestionably, the automotive agreement between Canada and the United States has been beneficial to us. It has meant that there has been an increase of $4 billion worth of trade between our two countries since 1964. It has meant an increase in jobs among the independent parts manufacturers of Canada, and it has also meant that Canadian productivity has risen from about 70 per cent of the United States level to approximately 80 per cent of that level. Chrysler Canada Limited said recently that now, on a proportionate basis, they can produce in their Canadian plants as much as the parent company can produce in an equal period in United States plants. That, however, is not the question. The question is the disadvantages and the consequences of the agreement which were made evident last week.

Of course there are a number of programs which are designed to alleviate the consequences of lay-offs. One of them is the unemployment insurance program of the federal government. Another is the manpower retraining program which enables those who are admitted to it to extend their skills and to take advantage of the opportunity of upgrading their earning power.

A relocation program is also available, although this is not very palatable to most communities. I shall indicate later why I think a relocation program is not the best answer in this case.

In addition to the programs I have mentioned there are other additional programs, one of them being operated by the company. That is the S.U.B—the Supplementary Unemployment Benefit program of the Ford Motor Company of Canada Limited. Also there is a federal government program. Under the S.U.B program the company sets aside five cents for each hour of work done by each worker. The fund which was recently introduced will at present pay workers who have been with the company for one year something like—

Mr. Lewis: Will the hon. member permit a question?

• (8:30 p.m.)

Mr. MacGuigan: I would prefer to have it at the end of my remarks.

Mr. Lewis: It is a very simple one. Did he say the S.U.B program was a Ford Program?

Mr. MacGuigan: I will take that question at the end of my remarks, Mr. Chairman. As I was saying, this is a contribution by the company of five cents for each hour of work by its employees. This is a benefit negotiated by the Ford workers in their collective agreement. At present the payment is something like 65 per cent of the weekly wage if the unemployment insurance benefits are added in, and on December 1 this will rise to something like 95 per cent of the weekly wage.

The T.A.B, or transitional assistance benefits program, is a federal government program, and comes into operation when the worker has been employed for 30 weeks in the automotive industry—not necessarily with the same corporation, provided he has been in the industry for that period of time. It pays something like 62 per cent to 75 per cent of the weekly wage, if the unemployment insurance benefits are included.

It seems to me, Mr. Chairman, that several weaknesses have become apparent in the T.A.B program during the last few days. One of these is in the qualifying period, which is set at 30 weeks. In the case of these particular workmen, all of whom I believe were hired on August 19 or subsequent to that date, the longest period of service with the Ford Company is 14 weeks. They may have been employed previously in some other part of the automotive industry, and some of them may be eligible as a result of that, but a great many of them will not be eligible for the T.A.B grants.

These workers were not employed as part of any expansion in the Ford Motor Company. They were employed merely to replace those who had retired or gone on to other jobs. This was not an expansion program but merely the filling up of gaps that had developed among the work force.

I think the government ought to give some consideration to the payment of T.A.B benefits even when the qualifying period has been much less than 30 weeks, in a case where it is a question of replacing workers, rather than of expanding business, because it is clearly a consequence of the automobile pact. We are assured that in the long run there will be 300 more jobs available at Ford of Windsor, when the transition period has passed, but this is small comfort for the 338 workers now affected, all of whom may be laid off for 18 months during the transition period.

In addition, workers who are entitled to the S.U.B benefits are not entitled to the T.A.B benefits. In terms of the amount of money they receive this may not make that much difference, but in terms of the equities of the case there is a great deal to be said for making the T.A.B program apply all across the board, to all the workers who may be unemployed and who qualify under the minimum qualifications which, as I have already suggested, ought to be somewhat modified.

At present, if a motor company wishes, it may pay into the T.A.B fund, so that even workers who are covered by the S.U.B program may receive T.A.B benefits, but it is perhaps a little unrealistic to expect automobile companies to pay moneys into the T.A.B fund that they do not legally have to pay. As a result the worker's benefits under S.U.B which they have built up over the requisite amount of time with the corporation, are expended much sooner than they otherwise have to be. This was not the role that was intended for the S.U.B program when it was negotiated between the company and the union. The S.U.B program was intended to cover unemployment during periods of retooling and style changes. It was not to cover unemployment caused by technological changes in the industry resulting from the Canada-United States agreement.

Therefore, Mr. Chairman, I would draw the minister's attention to the fact that there appears to be a second gap in this program. It is to be hoped that some steps can be taken by the government in the weeks and months to come to fill up this gap by changing the regulations or, if necessary, by changing the statutes, or by renegotiating certain parts of the automobile agreement.

There are several other questions that ought to be raised. One is the question of notice. No one can seriously believe that a motor company as large as Ford of Canada decided just a week before Friday morning last that it was to make these gigantic changes. Indeed the very careful preparation of the publicity involved, which was largely focussed on the expansion in the future rather than on the short run disadvantages—the preparation of pictures and releases—indicates that the Ford Motor Company was aware, long in advance of the time that the program was announced, that it was about to take place.

If as much preparation had been lavished by the corporation upon preparing its workers and the public for what was to come, the

government of Canada would have been given an adequate time to deal with the problem in a way more compatible with the seriousness of the situation. One wonders indeed if even seven days notice would have been given, if it were not provided for in the collective agreement between the company and the workers.

Mr. Broadbent: Would the hon. member permit a question on that point?

Mr. MacGuigan: I will be pleased to take any question at the end of my remarks.

Then there is the question with respect to overtime. Overtime in the Windsor operations of the Ford Motor Company is compulsory. Even at a time when there are not enough jobs for those people employed with Ford—338 have been laid off, and some 600 more will be laid off—the company is able to give extensive overtime to the rest of its workers. This is the reason why I suggest relocation is not the answer. The work is there in Windsor, at the actual plant affected by the layoff. There is work for a great many more men than are presently employed but it is taken up by way of overtime.

This is not of course a question for the government alone; it is a question for all the parties involved. As a matter of fact, Mr. Chairman, that is the final point I would like to make. Matters such as this are not matters for the company alone or for the working force alone. These matters require a tripartite approach, involving the government as the representative of the public, as well as management and labour. We are long past the day when one can speak of management's prerogative to make on short notice fundamental changes which affect, and in some cases greatly impair, the lives of those working for them.

This is not a question which ought to be left to management. It is not a question which ought to be left even to management and the working force. It is a question which concerns the whole public; and I would suggest, Mr. Chairman, that if no solution can be found by way of agreement, if we cannot have co-operative efforts between the three forces involved, then it will very soon be time for us to consider whether or not some solution should be brought forward by legislation. I would hope, although I am not always confident, that the solution would be found by co-operation and negotiation.

I would emphasize the fact that in this age of automation, and even cybernation, the old ways cannot be allowed to go on unhindered by government. I would commend to the minister the changes I have suggested, and hope that the government will act as a party between management and labour in matters such as this.

[Mr. MacGuigan.]

• (8:40 p.m.)

Mr. Broadbent: Mr. Chairman, I should like to ask the hon. member a question. In view of his criticism of the Ford Motor Company's rather hasty announcement to lay off these people, and the equally short notice given the government, would he agree with the suggestion made by a number of people that the government should not wait for the Woods report before answering the question about making it mandatory that advance notice be given both to the government and employees about a forthcoming lay-off.

Mr. MacGuigan: Mr. Chairman, I would be in favour of awaiting the Woods report. I do not believe this is a matter which can be considered wholly in isolation from the other problems of labour relations. As a result of my knowledge of what the Woods task force is doing, and my knowledge of the people in this task force, I expect a great deal from the report, and I have reason to believe it will be before the house before many more months have passed. I would think that unless the report is delayed long beyond the time when I would expect it, we should be willing to await it before proceeding on this particular matter.

Mr. Broadbent: Can the hon. member suggest even one possible argument against this part of the Freedman report that would warrant any rational justification for waiting. I am not suggesting that we have labour legislation in many fields; I am restricting it to this one field on which the hon. member focused his attention in his argument.

Mr. Lewis: The report is two years old.

Mr. Broadbent: Yes, the report, of course, is two years old. Can the hon. member suggest one argument a rational man might use as a ground for hesitating.

Mr. MacGuigan: Had I been in the house at the time the Freedman report was presented I think I would have pressed for its speedy implementation, but now when we are within a month or two of the completion of this report, I think we should wait the additional time. Undoubtedly some action must be taken, but the question is how far one should go,

and how stringent the legislation should be. I would hope the Woods report would give us some guidance on this.

Mr. Allmand: Mr. Chairman, at this time I should like to say a few words about the serious problems faced by middle aged workers when they endeavour to find employment. During the three years I have been in parliament I have learned of many sad cases involving men in their forties and fifties. These were cases of competent experienced men who had much to offer. They wanted to work. Many of them still had young families, but for many reasons they were unable to find employment. As a member of parliament I have endeavoured to help these men. I have spoken to personnel managers whom I know. I have tried to direct them to government jobs. In most cases, however, there seems to be some bar to the employment of men in these age categories.

If this is a serious problem today I maintain it will become much more serious unless some action is taken very shortly because, as many people have pointed out in this era of technological change and automation, many men will change their trade or employment during their lifetime, not once but two or three times. Hon. members who have spoken on the estimates so far have pointed out that men in their thirties, forties and fifties have been out of work after having been employed for many years. In these cases it is necessary for them quite often to develop new skills and look for a new type of work.

In the last few years the manpower retraining and relocation program has been introduced. This is a very good program under which we try to train men so that they will learn new skills, in order that they may fit into other employment. However, I believe all this will be of no avail if we do not do something about the restrictions and bars there seem to be in respect of employment for men in these age categories. The men who are faced with these problems are not only the blue collar workers; they are also the white collar workers, and professional people in all categories, some of whom have held very good positions for 20 or 30 years. Some of the cases I have known have involved men who have had the misfortune of being in hospital for a year or two because of serious illness. Then when they returned to the employment market they could not find anything.

It has been suggested that the solution to this problem might be through an amendment to the Fair Employment Practices Act by adding discrimination in respect of age to the present categories of discrimination which are mentioned in that act. At present this act prohibits discrimination, I believe, for race, creed, colour and national origin. It has been suggested that discrimination based on age might be added. Some provinces have fair employment practices act, in which this is included as one of the prohibitive classes.

I believe an amendment of this type could be made, but I do not think it is the most effective answer to the problem. It would seem that one of the main reasons given by employers for not hiring men in these age categories is that their pension plans are set up in such a way that they discourage the entry into the pension plan of people at age 40, and more progressively as they become over 40. There may be other reasons. I suggest it might be very worth while for our progressive Minister of Labour to call together the major employers in Canada, trade union leaders and those insurance and trust companies which run these company pension plans. If these people were brought together it might be possible to work out a solution to this problem and, if the pension plan really is the bar, find ways in which something might be done to eliminate this problem.

It could be that perhaps the government, through some type of legislation or incentive program, might be able to help the companies and those administering the pension plans to remove these restrictions in one way or another. I do not know the answer, but I think the answer could be found, and I believe it should be found very quickly. Not only are we losing very productive people from our labour force, and potential taxpayers, but we are also placing men in a position where they must rely on pension plans, relief, unemployment insurance and unemployment assistance. We are setting up a group of very frustrated people. I can testify to this because of the experience I have had in respect of the cases with which I personally have dealt.

I know the Minister of Labour is considering a program of legislation. Perhaps there are other matters which have a higher priority. If we consider the number of matters involved, I suppose there are things with higher priority; but I believe this matter deserves a very high place in his legislative planning. I would hope that next year or as soon as possible he would try to do something about this problem, which is faced by many of our medium aged workers. I might point out also that there are many middle aged

women who often try to re-enter the labour force after they have brought up their families.

Mrs. MacInnis (Vancouver-Kingsway): Mr. Chairman, I have one or two points which I should like to raise tonight, one of which is in connection with the women's bureau. I am aware that the Minister of Labour referred to it briefly. The fact that we have a women's bureau indicates that women workers do not have equality in this country. If they did, I do not believe we would have any need for a women's bureau. I hope, now that we have a new director, that certain points will be borne in mind and specifically dealt with in the near future. Women do not have equality, although they make up one third of the labour force. They do not have equality in their choice of work. We find that a great percentage of them are working in about 15 occupations in industry.

• (8:50 p.m.)

I was very much interested in an article which appeared in the current issue of the *Labour Gazette*. The minister must be aware of it because his department was responsible for this survey being made under Dr. Stanislaw Judek. There were a number of very interesting things pointed out about women in industry and women in the public service of Canada. He pointed out that while there were women on the labour force in higher paid positions and grades, there were relatively few employed in these positions, particularly in administration. He also pointed out that, not only is there discrimination in respect of the kind of work that women can do, but there is great discrimination so far as pay is concerned. In his article he states:

> Women in the public service earn less than men. The author attributes this to the fact that most women are placed in the lower paid occupations, and also have lower grades within these occupations. Among male employees, 8.2 per cent earned $10,000 and above in 1966, compared with 0.5 per cent of female employees. In that year, the median income of women was slightly below $4,000, whereas the median income of men was approximately $5,350.

He goes on to state:

> Women with university education (except a very few) are, apparently, not being utilized, and the differential in salary exceeds, in some cases, $4,000.

The article then states:

> More than 24 per cent earn between $6,000 and $10,000 whereas only 6 per cent of women are in this salary range.
>
> There is no special program to develop better utilization of womanpower in the public service, and opportunities for advancement follow identical routes.

[Mr. Allmand.]

When appearing before the royal commission on the status of women recently, the Canadian Labour Congress, the largest body of organized workers in Canada, pointed out these same things about women workers. They pointed out that in the choice of work, in pay and advancement women were very badly discriminated against. They also indicated there was a need for a fair employment act at the federal level. The congress suggested that so far only a couple of provinces, notably Saskatchewan and to a certain extent Quebec, had attempted to legislate along these lines. The congress felt this discrimination against women related particularly to the same three fields, choice of work, pay and advancement.

It is my belief that there are two main reasons for this discrimination. The first is that traditionally women have not been out in industry or in the public service for any length of time. Second, women have been handed by nature a full time occupation for at least part of their lives. Biologically they must have the children and raise them, while at the same time keeping a home together. We should recognize that the time has come when women, are going to be out in the public service and in industry. The question is, are we going to have them occupying these positions under something like equal conditions, or do we intend to ignore the fact that they cannot spend their time working outside of the home while at the same time carrying out the job given them by nature. We must in some way equalize this situation.

Let me suggest to the Minister of Labour that a part of the time of the women's bureau should be devoted to the consideration of how we can achieve equality for women workers in industry and in various gainful occupations outside the home. It is now time for the government to attempt to become, as the minister suggested, a conscientious and model employer. Let me place before the minister a number of measures the women's bureau ought to look into, and I might predict that these measures will be found among the recommendations of the royal commission on the status of women when its report is presented.

I am sure this commission will recommend the establishment of child care centres, particularly to look after the children of those women who are employed outside their homes. I realize the Department of Labour, through the women's bureau, has already made a study of this need for child care facilities. This women's bureau should be

attempting to develop legislation in this field, in concert with provincial governments. There should be a drive on the part of the women's bureau and the Department of Labour, working with employees and organized workers, to see what can be done in respect of part time or half day work for women. It is not good enough to put women on shift work because it may be inconvenient for women to do so, and also look after their home-making duties.

Home duties should be given priority, and I think a study ought to be made by the women's bureau to see which part of the day is more convenient for women to work outside and which to keep up with their duties at home. It might well be found that the day could be divided into two parts. Women could use one part for home duties and work around the home, and the other part could be used for work in industry.

It is my suggestion that we should also explore at the federal level a measure for maternity leave. This is in line with the recommendation of the International Labour Organization. Surely we should define a maternity leave measure in light of the I.L.O. provisions. British Columbia and the province of New Brunswick are the only provinces in Canada which have maternity leave legislation in actual operation at this time. Other provinces have such legislation on their books, but as yet the regulations have not been promulgated.

I cannot go into this matter in any detail tonight, but my colleague, the hon. member for Moose Jaw, made the point that the Department of Labour ought to work more closely with the department of manpower. There could be no greater necessity in this regard than in the field of training for women. Married women who cannot now qualify for manpower training ought to be included and treated on a fair basis.

• (9:00 p.m.)

Let me refer to another point which ought to be considered by the women's bureau. A great many women are concerned in this matter because not only do they have the burden of bringing up families and making homes, but on them devolves the care of elderly parents or elderly relatives. Some attempt ought to be made to see whether a visiting homemaker service under the aegis of the women's bureau could be provided to help out in these circumstances. I know I am suggesting very heavy and new duties for the women's bureau, but I believe they are important, and that if the women's bureau is to be of value to women workers it should enlarge its responsibilities to take in these fields. If the minister can look at the women's bureau as a means of legislating or operating so that women workers can have a chance of equality with men workers, I think this will result after some years in cutting out the women's bureau; but the women's bureau will be serving a very useful purpose between now and the time it destroys its reason for existence.

I shall touch on one other question, and I shall not take too long to do so. However I think it should be raised. We in Canada have been greatly disturbed and upset this fall in connection with the boycott of table grapes from California. I want to say a few words about this subject tonight, because I think the Minister of Labour might be able to play a role in it, even if it is only making a statement in regard to where the Department of Labour or this country ought to stand in this respect.

This is an important question in labour relations between our country and the United States. The United Farm Workers organizing committee in connection with the grape workers sent up to this country early in the summer, I believe, United States organizers to promote the boycott of California grapes. They decided to promote this boycott in the large Canadian cities of Montreal, Toronto and Vancouver because these were the cities being used as an outlet for grapes produced by non-union labour, non-organized labour in California.

The grape workers organizers complained that these non-union people were living under very substandard conditions, that their wages were substandard that Canadian citizens were being flooded by grapes. They pointed out that some American cities were not going along with this underpaid, scab labour of non-union employees. I learned about this back in the summer, when these organizers called on me, and no doubt on other members of parliament, and certainly on other civic workers. The first I heard about it was when the mayor of Vancouver made a statement urging people to go along with these people and help boycott grapes. A few days later the people on the other side of the grape conflict got in touch with the mayor and he was invited to California by Governor Ronald Reagan to see conditions down there. He came back

saying that these workers lived in air-conditioned buildings and had fine working conditions. On the other hand, Ray Haynes, secretary of the B.C. Federation of Labour, said that the mayor spent 35 minutes with the workers and the rest of the week end with the growers and Governor Ronald Reagan.

There were two sides to this story because in the meantime the mayors of New York and Detroit boycotted the grapes and publicly urged that this be done by people generally. But the matter kept hanging fire and hanging fire. Be that as it may, the grape workers kept on organizing here and apparently nothing definitive came of it. In the *Globe and Mail* of October 18 there appeared an article dealing with the boycott in Toronto. It seems that some stores in Toronto had been moved to restrain from selling California grapes. Then the matter was brought to the attention of the Director of Investigation and Research under the Combines Investigation Act, who said that if there were any agreement among the stores to boycott non-union grapes, he would have to launch an inquiry into the matter. He also said that if there was found to be a combination in restraint of trade, he would have to prosecute. One of the chains in Ontario expressed sympathy with the grape workers but said that because of the attitude of the combines branch the chains could not do anything about it.

In view of these conflicting stories quite a number of us—I am one of them—have had to forgo buying any grapes at all this fall, although I like them very much. We are uncertain about the rights and wrongs of these stories, and I therefore appeal to the minister to clear up this matter. I do not think Canada should be left in an ambiguous position in this regard. If the stories of the grape workers are correct, surely we should find ways and means of confining ourselves to Canadian grapes. We do not want to be a dumping ground for products sent here as a result of unfair labour practices in the United States.

If on the other hand the grape workers of California are receiving just treatment, we should know about it. I suggest that the Minister of Labour contact his opposite number in the United States, Secretary of Labour Willard Wirtz, and find out the rights and wrongs of this question. He should find out why the mayors of some cities are boycotting these grapes and the mayors of other cities are not. Why are we having this fuss about grapes in Canada? I suggest that perhaps the I.L.O. could be consulted. In any event, Mr. Chairman, I ask the minister to clear the air in this regard and let us know where we stand. I for one would very much like to know whether he knows something about this question and, if not, whether he will find out.

[Mrs. MacInnis (Vancouver-Kingsway).]

Mr. Gray: Mr. Chairman, when the Minister of Labour opened this debate on his estimates he made a most eloquent statement of his philosophy of labour-management relations, of his ideas of what the federal Department of Labour under his leadership should be doing and, I am confident, will be doing. In this statement he drew attention to one of the central issues, one of the central questions in the field of labour-management relations today when he said that "if increased productivity depends on our willingness to accept technological change, we must be prepared to face squarely the disruptive forces that technological change creates." If technological change benefits the entire community, and generally it does, then the principle burden of adjusting to such change cannot and should not be shouldered mainly by the workers concerned. This burden must be shared by the company carrying out the change; it must be shared by the entire community, by the entire country.

There are still too many instances of managements which use the highest degree of planning and organization for every phase of technological change except the phase which concerns one of the most vital portions of the labour-management equation, namely the workers involved. They use these high skills of planning and organization to determine trends in markets, changes in products required and new machinery needed to make these products; but all too often they do not use even a small fraction of this management skill in determining the effects on their workers and what should be done to assist them to adjust to the changes to be carried out.

• (9:10 p.m.)

In other words, plans are made for almost everything except the fair and reasonable use of manpower, of the workers concerned. Even though, in the long run, the new engine plant announced by the Ford Motor Company for its Windsor operations will bring benefits to the workers concerned and to the community, certainly in the short run what has been happening there, appears to be an example of the lack of attention and the lack of planning with respect to the use of manpower and to

the human factor to which I have been referring.

At approximately 11 a.m. last Friday, November 15, the Ford Motor Company announced it would be creating a second engine plant as part of its Windsor operations. The Windsor *Star* speculated it would be a multi-million dollar program and estimated it would cost in the neighbourhood of $100 million. The work involved would mean the converting of an existing chassis plant to high volume engine production. The work would take some 18 months, but in the meantime a total of some 1,000 men would have to be laid off while their present place of employment was being converted to the high volume engine production I have just mentioned. The company claimed at the time of its announcement that not only would the 1,000 men in question be called back to work in the new plant but that there would be 200 and perhaps as many as 365 new jobs added to the 1,000 existing before the plant was converted.

However, not only was notice of only approximately one week given to the workers concerned, but even the federal government departments—the Department of Labour and the Department of Manpower and Immigration which were going to be called upon to put programs into effect to ease the burden of the lay-offs on these workers—were not given more than a week's notice of the lay-offs. The first announcement said that the first lay-off would be of some 475 men but this was later amended so that 338 men would be laid off only a week later.

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

Mr. Gray: I will be very happy to answer the hon. member's question after I have concluded my remarks. I will not be speaking at any great length.

I do not claim to be an expert in the field of automobile production and on industrial matters of that sort, but I find it difficult to see how a company could decide to spend $100 million on a new engine plant only about a week before the work began. I suspect the project in question took many months of planning, and it seems to me more could and should have been done to plan the work with the workers concerned.

In a report in The Windsor *Star* for Friday, November 15, the president of the Ford Motor Company said:

> We have been building engines in Windsor for a long, long time . . . One of the best labour forces in North America is to be found here.

If this is true, and I think I and the people in our community would agree that it is, then something more should have been done to make sure that not only the morale but also the material well-being of this labour force was maintained during this lay-off to the greatest possible degree.

It is true that in the initial announcement of the lay-off the Ford Motor Company suggested that—and here I am quoting from the press release issued by the company at the time—

> —eligible employees who are temporarily laid off may draw benefits under the company-paid supplemental unemployment benefits program. When combined with unemployment insurance benefits the total can amount to almost 95 per cent of take-home pay.

Of course, as has already been pointed out in statements both outside and inside this house, this is not exactly the whole story because at least 338 of the workers concerned have been hired only since approximately August 19 of this year. Therefore there is a question whether they would be eligible for unemployment insurance and to what extent if any they would be eligible even for the transitional benefits which are available for people who cannot get the supplemental unemployment benefits referred to in the company's statement. Of course, it can be guessed that the first group who are being laid off this weekend would not have worked long enough at the Ford Motor Company to qualify for the supplemental unemployment benefits. Also, even though the next lay-off is not going to come until some time in February one has to speculate also on how many of the others to be laid off will actually draw the equivalent of 95 per cent of the take-home pay mentioned in the release.

In any event, it would seem to me that this particular incident is one from which a number of conclusions can be drawn. First, it seems to me that it is essential that companies carrying out changes of this type give a longer period of notice to the workers and to the government, departments which will be called upon to assist them during this kind of lay-off. Certainly if a longer period of notice had been given, government departments could have begun putting into effect programs that are now being implemented on a crash

basis sooner than has been possible under the circumstances, and the workers concerned also could have arranged their own lives and have made plans for themselves and their families different from the ones a number of them probably made. They would have made different plans than they did when they believed they would have steady employment except for lay-offs due to model changes or possible down-turns in the market for the product of the company. I suspect that a number of workers may have previously made commitments to purchase automobiles, appliances or homes, or else to move into new rented premises based on the expectation of continued employment over the next 18 months period, except for what might be considered to be more or less normal lay-offs because of model changes in the industry.

Second, I think that now that we have had a greater degree of experience with the operation of the transitional assistance benefits program put into effect by the government to assist workers involved in technological change arising out of adjustment due to the automotive pact, when they are not eligible for supplemental unemployment benefits, the time has come to take a good look at this program and to examine very carefully the need for modifications in the existing program. Certainly I think the contention of the unions concerned that transitional assistance benefits should be available even when workers are eligible for supplemental unemployment benefits is one that has a lot of merit. The union argues, with merit, that supplemental unemployment benefits are something that was negotiated by workers as part of the total wage package to tide them over what might be considered normal and expected lay-offs for model changes or down-turns in the market, not for lay-offs of the type that come about through the expansion or changes of plant to adjust to different opportunities in markets lined with changes in government policy.

Also I think another conclusion to be drawn is that the government should encourage companies to take a look at their operations in nearby communities or the same community. If, as I understand is the case in the Windsor area, other plants which are part of the same operation are working with a high degree of overtime, then something should be done, instead of merely having the group of workers in the plants not affected by the technological change piling up overtime, to make some of the work available to workers laid off from plants where technological changes are being carried out. Certainly those concerned would much rather be working for normal wages and in normal working conditions than receiving assistance through special programs designed to cushion the impact of lay-offs.

I might also add that in the case of the first lay-off of the Ford Motor Company at Windsor which is just taking place, many of the workers are quite young and many have not completed their high school education. Therefore every effort must be made to encourage them and to give them an opportunity to retrain and upgrade their education so that this period of lay-off could be used to give them greater opportunity in later years for a more secure employment involving higher degrees of skill.

• (9:20 p.m.)

Now, Mr. Chairman, industry and business often complain about government intervention in what they deem to be their private affairs. It seems to me that any industry of the size of the auto industry, one with such an impact on the total economy, there is almost nothing that is strictly an internal matter and does not affect the community in which the operations are carried out or for that matter the entire country. Even though in the long run it may turn out to be beneficial to the community as I believe this expansion of the Ford Motor Company will, I think it leads in the long run to more government intervention rather than less when the human factor such as the interest of the workers concerned is not taken into account, at least to the same extent as the problems of planning production with respect to raw materials and machinery, certainly you cannot put workers into some form of suspended animation; you cannot put them in some warehouse as you would a machine that is not needed for a few months until some plant is rebuilt.

I think that the industry has to be more conscious of its responsibility to its workers to help them adjust to the impact of technological change. Certainly, if this responsibility is not forthcoming on a more voluntary basis, then it would seem to me, within the constitutional authority available to the various levels of government, public opinion will lead to government intervention even more than has been the case in the past to make sure that the human factor is given attention, and to make sure that the industrial development

of our country has a just degree of equity and fairness for all concerned.

Therefore, Mr. Chairman, I think that the words the Minister of Labour as he presented his estimates are ones that all of us must bear in mind. We must be prepared, as he said, to face clearly the disruptive forces that technological change creates and be prepared to take measures to make sure that the burden of this change is one which is shared in an equitable way by all the community and not merely by the workers concerned. In the long run, as I have said, the new engine plant of Ford at Windsor, in my opinion, is a development which will be of benefit to the community and to the workers concerned. It is unfortunate, in my opinion, that what would ordinarily be considered a favourable announcement by the community and the country was marred by lack of attention to the problems which this change would create in the short run for the workers who are in the plant which is now going to be converted. We must face up to the human problems of technological change if we want to make sure that such change will be of benefit to our country.

Mr. Broadbent: I will be very brief because I see the minister would like to answer. I should like to put a few questions to the hon. member who just spoke, since he was courteous enough to state that he would answer. My first question relates to his comments about an advance industry like the Ford Motor Company. Such a company knows well in advance when it is going to be laying off people. This is not a rhetorical question on my part. I am quite sure that in an area like Windsor, as in Oshawa from which I come, these questions are considered from a sociological point of view. In the latter part of the summer people from school go to work for this company and within three months they are thrown out. Does the hon. member think that perhaps we no longer can rely upon moral persuasion but should do two things: first of all, we should require the companies to give some indication when they hire people how long they are likely to be employed. There has to be some flexibility in this matter, obviously. Second, I should like to repeat the question I asked the hon. member for Windsor-Walkerville: Would he be in favour now of the implementation of that recommendation in the Freedman report which refers to compulsory information being provided by companies, both to governments and employees, well in advance of lay-offs?

Mr. Gray: Mr. Chairman, I think the hon. member for Oshawa-Whitby has raised a very important point. It is my impression that many of those to whom he refers were hired in August by Ford actually to take the place of people who were retiring in the normal course of retirement schemes. They were filling existing places in the company rather than some special expansion. It seems to me the company either should have been more forthcoming with them as to their prospects for continued employment or if, for what the company considered to be compelling reasons they could not be, the company should be willing now to do more to assist them in adjusting to the burden.

In so far as the Freedman report is concerned, I think that my approach is basically similar to that expressed by the Minister of Labour. The philosophy of the Freedman report is one which I accept. Certainly there is room for more to be done by governments to make sure that the governments themselves and the workers concerned are more aware of changes in plans by companies which could affect the workers and affect the entire country. I think in this discussion if we are going to be fair and frank with those who are following our words, we should be sure to make clear just what, under our existing constitutional structure, lies within the jurisdiction of the various levels of government. Perhaps there will be other occasions when we will be able to discuss this, and I think there will be. I think we should make clear just what the limits are under the present labour relations jurisdiction of the federal government to compel moves of this type in industries which are not completely within federal jurisdiction in all aspects of labour relations.

One may wish that our constitution had evolved somewhat differently in this regard, but we have to deal with the situation as it is. Therefore, to conclude my response to the hon. member's question, which I think was a most useful question, I feel we have to make sure that in discussing these matters in this house and outside we do not inadvertently give the impression that this level of government, for example, can do things which under our present constitutional set-up the courts have decided, rightly or wrongly—perhaps wrongly—we do not have authority to do. We should seek most actively to implement the philosophy of the Freedman report along the line suggested by the Minister of Labour, to the fullest extent of our federal jurisdiction.

Mr. Mackasey: Mr. Chairman, I intend to be very brief. We are still on vote 1 and this is the second day the estimates of the Department of Labour have been considered. I welcome this, incidentally, because it has been many years since the estimates of the Department of Labour have been debated by so many speakers from all parts of the house, who have concerned themselves with the problems of labour in such a sympathetic manner. I think if there is one theme that I have noticed in just about all the speeches on these labour estimates it has been the realization that, in general, if this country is to survive in an economic sense we need a much greater degree of co-operation between labour, management and government.

• (9:30 p.m.)

I was particularly pleased, Mr. Chairman, to note that I, as Minister of Labour, the member for the New Democratic party and also the official spokesman of the official opposition, the hon. member for Central Nova, all in effect adopted, commended and endorsed the philosophy of Freedman. I think this is a breakthrough in this House of Commons, and really it has to come if we are going to maintain the maximum degree of co-operation between the three important segments. We need this type of enlightened legislation for those few industries that fail to live up to their moral obligation.

The hon. member for Vancouver-Kingsway, in her usual eloquent style, mentioned the need in the very near future for some substantial legislation more favourable to the female labour force of this country. Her points were well taken. The idea of maternity leave is certainly not an original one. It makes sense and it should at least be part of the provisions of the Unemployment Insurance Act, if nothing else, when unemployment insurance comes up for drastic overhaul early in the new year. As the hon. lady knows, we were fortunate in obtaining the services of Mrs. Gelber to head this important branch of the department. She is already chairing a strong interdepartmental committee made up of representatives of labour, manpower and other departments concerned, preparing legislation in anticipation of some of the recommendations of the task force as well as reviewing the report to which the hon. member alluded, one which should be required reading.

The hon. lady also mentioned the problems of the underprivileged in California reflected in the appearance of California grapes on the market here. I notice that one of our leading supermarkets indicated today that it would no longer handle this product. We are fortunate in having an excellent product from the Niagara peninsula, one to which we should be giving a preference anyway, other things being equal.

Mr. Lewis: You are referring to the parliamentary secretary no doubt.

Mr. Mackasey: I might say to the older members of the house, particularly to those who have strong labour contacts, that instead of having to contact my counterpart in the United States regarding the true story behind the grape situation in California, I need go no further than Mr. Pat Conroy, the labour attaché for our department in Washington who is now in Ottawa for a week or so. Without being at all facetious, let me say I would be most happy if the hon. member for Vancouver-Kingsway and others who are friends of Mr. Conroy could see him for half an hour or so, to discuss this problem with a gentleman who is a walking encyclopaedia, as most people know, as far as situations of this sort are concerned.

We heard an excellent intervention by the hon. member for Moose Jaw. I will not say I can comment openly on all his observations, but he was certainly accurate in his assumption that on the surface many of the recommendations of the International Labour Organization have not been implemented in this country. However I think he realizes, as most members do, that many of the recommendations of the I.L.O.—recommendations which we should like to see part and parcel of our legislation—have not been implemented for the good reason that to do so would infringe the constitution of our country. We have succeeded in ratifying at least 24 I.L.O. conventions to date. We are in constant communication with the deputy ministers of the various provinces. They attend various committee meetings of the I.L.O. as well as the annual convention in Geneva every June.

I think we are about due to get through, in some of the provinces at least, three or four recommendations of the I.L.O., particularly in the field of discrimination in employment policy and underground work for women in mines. There are many countries where there is no legislation specifying that women may not work underground in mines.

I might remind hon. members that next year is the fiftieth anniversary of the International Labour Organization, the oldest international organization in the world today. During the war years it established its base of operation in Montreal, particularly at McGill University, if I recall correctly.

I believe sufficient has been said about the auto pact. Certainly much has been said about the necessity of giving notice as far in advance as possible concerning lay-offs. The Economic Council has suggested a period of three months. I must in all fairness remind hon. members that many of the unions have included in their collective agreements provisions which prevent this type of grievance. Possibly some of the stronger unions will now be more militant in insisting upon incorporating clauses in their collective agreements which will provide for a longer period than is presently given.

It seems I have now covered all the points which have been made on clause 1. There are only four items in these estimates, and I am hoping to receive the co-operation of the committee in getting my estimates passed this evening. I should repeat that much of the legislation which is now the responsibility of the Minister of Labour needs drastic overhauling. I can think of no act, including the Labour (Standards) Code, and the Industrial Relations and Disputes Investigation Act, which I am called upon to administer, which does not need a thorough overhaul. It is my opinion therefore that the year 1969 will see much activity by members of all parties when we bring forward proposed legislation, and I would welcome the participation of members of all parties as early as possible, in any legislation which is proposed next year, possibly from the white paper stage. Certainly the Woods task report should be made available as early as possible, perhaps even before the holidays, in order that when we get back all parties can get together to formulate progressive legislation based on the recommendations of that report. Perhaps we could now move on from clause 1 and get on to the specific items which complete the estimates of my department.

Mr. Harding: I had hoped to get in a few words before the minister rose, so that he could answer the comments which I intend to make, as he did those of speakers who preceded me. I intend to be brief, but there are one or two points I feel I should put on record as far as labour organizations are concerned, and as far as the labour picture in this country is concerned.

I listened with a great deal of interest when the minister indicated several days ago that collective bargaining as between labour and management is to continue. I think this is a very sound decision; it is one with which our party agrees. As the minister is aware, there are moves in certain parts of the country to change the nature of collective bargaining. Indeed, a delegation to this government was pressing very recently, I believe, for changes in this connection. I must say it was with relief that I heard the minister announce the other day that he had looked over the Freedman report and felt his department would have some interesting legislation to present to the house along the lines of the recommendations contained in it. As other hon. members have already dealt with this I do not intend to go over this item tonight.

• (9:40 p.m.)

I wish to make one or two comments on compulsory arbitration. I think every member of this house agrees that the fruits of the productivity of this nation should be shared to a much greater degree than we see at the present time. I am not thinking only in terms of labour unions which are strong enough to go to an employer and demand their share. Of course, the employer gets a larger share of the fruits of productivity in the form of larger profits. Another group of citizens must be considered. I am speaking of those on fixed incomes—pensioners, retired civil servants and other people in this category. They are the ones who frequently do not receive their fair share of the increased productivity of this nation. Those who sit in the seats of government, who govern this nation, make its laws and are in a position to change what is happening, are the ones who ought to be making certain that the fruits of our productivity are shared justly by all. Until we reach that stage we will not have the just society which our friends of the Liberal party talk about.

Much can be done to guarantee the people on fixed incomes that we will not erode the standard of living they now enjoy—poor as that may be—by increasing prices without at the same time increasing their initial pensions or fixed incomes. If the standard of living of this nation is to rise, and it is rising steadily, every individual in Canada should share in that prosperity. There is nothing wrong with that outlook.

Mr. Lewis: Hear, hear.

Mr. Harding: I now wish to say a few words about compulsory arbitration. I come from a province where in the spring of this year, 1968, we passd a bill known as bill 33 which brought a measure of cumpulsory arbitration for the first time to British Columbia. I am very much opposed to this concept. Our party is opposed to it. We fought the legislation through its various stages. The Social Credit government of the province felt this type of legislation was needed on the statute books of the province, and the legislation was enacted.

Nothing has been done under this legislation. That is, nothing so far has been given to the mediation board. In short, they have not tried the legislation out to see if it will work. Yet the method by which this compulsory arbitration board has been set up will make collective bargaining a farce. Here you have a board. The government knows, the labour groups know and the employers know that if negotiations do not go properly the dispute can go to the board. And what will happen? Employers and labour will stop trying to settle their differences collectively around a table. That is not what we want. We need not be ashamed of the collective bargaining record of unions and employers in Canada. If one looks at the record, and with few exceptions the record is quite good, he will see that 30, 40 or 50 times more man-days in this country are lost through unemployment than through strikes. For every man-day lost through strikes in this country there are 20 or 30 man-days lost through sickness.

If the government wants to save man-days that are lost to employment it ought to curtail unemployment, which is currently running at 5 per cent of our Canadian labour force. That is far higher than is good for a healthy economy. That is what we are advocating—get rid of unemployment, or curtail it as much as possible.

Labour and management need not be ashamed of their bargaining record. You know, it amazes me to hear politicians say that the labouring man should not have the right to sell his labour. That is the only thing he has to sell, and he has the right to go to the market and demand as high a price as he can obtain for it. Tonight I was watching a medical man talking on television. He was talking about higher fees and saying that no one should interfere with the raising of doctors' fees. Those who are in the legal profession, or in any other professional group, no doubt make the same plea. Yet, once you begin with compulsory arbitration to set wage rates for the ordinary workmen, where will you stop? Will you go right down the line and take in the professional groups? If you are to be fair that is what you must do. How far down the line will you go, and where does the process stop? I suggest the collective bargaining system we have today is good enough and ought to be retained without change.

I wish to point out to the minister one of the big weaknesses in some of our labour legislation and some of the collective bargaining procedures we have today. This government, and provincial governments in Canada, have not provided a strong enough mediation service—and the minister pointed this out the other day. That is abundantly clear. No matter where you go in this country you will find that one of the keys to successful labour management relations is mediation. We must enter this field with experts and trained personnel, and dig out the facts.

We must also ask labour and management, when they sit around the table, to put all their cards on the table. Far too often we find that in disputes one side will refuse to divulge information. I suggest to the minister that it is in this area we ought to tighten up; we ought to tighten the regulations in the field of mediation services. If we do we shall have untold dividends in terms of industrial peace in Canada. I cannot urge this course to the minister too strongly. In all sincerity I say to the house, do not be misled by a few people who think compulsory arbitration will solve the ills of the management and labour in Canada. It will not. It will have an adverse effect and cause far more trouble than it will ever cure.

I will not take up more of the committee's time. There are other matters I wished to raise, and I hope to have the opportunity on some other day to bring them to the attention of the house.

Item agreed to.

Labour Relations—

5. Administration including the promotion of labour-management consultation, $1,233,200.

Item agreed to.

• (9:50 p.m.)

Labour Standards and Benefits—

10. Administration, including the Government's contribution to Annuities Agents Pension Account in accordance with regulations made pursuant to Vote 181, Appropriation Act No. 5, 1961 and $10,000 for grants for special research studies, $3,012,700.

Mr. Knowles (Winnipeg North Centre): On vote 10, Mr. Chairman, I wonder if the Minister of Labour could tell us what is happening with respect to Canadian government annuities which I believe still come under his aegis. I am aware of the fact that certain cutbacks in staff have been made and that no efforts are being made to persuade more people to take out Canadian government annuities. But what is the picture? In particular, may I ask the minister if any consideration is being given to increasing the rate of interest that is applied in the computation of annuities paid by this branch? I remind the minister that the government is paying higher interest rates on Canada savings bonds and other money it borrows. Some people who have government annuities wonder if their benefits should not be adjusted accordingly.

I realize this as a very old program. In fact it came into being the very day I was born.

An hon. Member: Thirty nine years ago.

Mr. Knowles (Winnipeg North Centre): Yes, thank you; so after those 39 years maybe it could be improved.

Mr. Mackasey: Mr. Chairman, I must admit I have very little in the way of detail but I shall get more detail for the hon. member tomorrow. He of course knows that the emphasis on this branch was drastically reduced some time ago, I presume by my predecessor. The branch still functions because of the fact that there are many plans still in existence funded with the government. One of the problems is that there has been added incentive by the provinces to acquire many of the old, traditional funds that were placed with the federal government in the Department of Labour. In the past firemen's unions, towns and cities were among the better customers of the Department of Labour in this area. In recent years certain provinces have made efforts—I know this is the case in my own province of Quebec—to discourage the placing of funds with the Department of Labour in Ottawa and have them placed with some body on the provincial level. This comes back to the rate of interest that we are paying on this particular fund.

The government has been reluctant to increase the rate of interest, perhaps through a degree of over-conservatism and a concern to protect the fund. In any event it is felt the time has come for the Department of Labour to get out of this particular function. In 1967-68 there were 1,058 group certificates issued, 1,332 individual contracts issued, 966,000 annuity cheques issued and over $66 million disbursed, and so it is still a fairly active program in that sense. But the emphasis has been removed from soliciting new business, and I will only suggest that I will discuss with the annuities branch the suggestion of the hon. member that a review be made of the rate of interest paid on this particular fund.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, it is not my wish to hold up this item and so perhaps I will settle for what the minister has said he would do. Perhaps he would get someone in his department to write me a letter giving the information I have requested.

Mr. Mackasey: And I will deliver it myself, to save the price of stamps these days.

Mr. Knowles (Winnipeg North Centre): The minister is feeling that too?

Item agreed to.

(The following items were agreed to:)

Research and Development—

15. Administration including the co-ordination and advancement of Canada's role in international labour affairs, the administration of transitional assistance to workers in automotive manufacturing and parts industries, and related activities, $1,734,800.

20. Grants, Contributions and Subsidies as detailed in the Estimates, $1,175,000.

B—Unemployment Insurance Commission—

25. Administration of the Unemployment Insurance Act including recoverable expenditures on behalf of the Canada Pension Plan, $41,545,700.

The Deputy Chairman: This completes the estimates of the Department of Labour. The committee of supply—

Mr. Broadbent: Mr. Chairman, I realize I am probably too late from a legal point of view, but the minister, being a very honourable gentleman, might decide to answer my question in any case.

The Deputy Chairman: Order. We will need unanimous consent to authorize this. Is it agreed?

Some hon. Members: Agreed.

Some hon. Members: No.

The Deputy Chairman: I regret that I hear some nays. The committee of supply will now consider the estimates of the Department of Public Works.

Proceedings on Adjournment Motion

Mr. Knowles (Winnipeg North Centre): Ten o'clock.

The Deputy Chairman: Is it the wish of the committee that I call it ten o'clock?

Some hon. Members: Agreed.

Resolutions adopted in committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. MacLean: Mr. Speaker, for the convenience of hon. members can the government house leader put on the record what legislation or other business the government plans to place before the house for the rest of the week?

Mr. Macdonald (Rosedale): Yes, Mr. Speaker. Tomorrow we will be dealing with the special order made by the house to discuss the question of the report from the external affairs and national defence committee on the matter of Nigeria. On Wednesday next we will be dealing with the estimates of the Minister of Public Works. On Thursday, as the house knows, we have the special order whereby the house will not sit but the standing committees of the house will sit to consider estimates; and on Friday, subject to further confirmation, it will be my proposal to call the estimates of the Department of Finance.

PROCEEDINGS ON ADJOURNMENT MOTION

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

GRAIN—SASKATCHEWAN—REPORTED INADEQUATE DRYING FACILITIES

Mr. John Burton (Regina East): Mr. Speaker, on November 22 I drew the attention of the Prime Minister (Mr. Trudeau) to a protest sent to the government by the Saskatchewan Federation of Agriculture with respect to the adequacy of grain drying facilities and programs. I also inquired if the Prime Minister would ask the Minister of Agriculture (Mr. Olson) to give further consideration to this serious problem in order to determine what measures should be taken to deal with it.

The subject of harvest and grain conditions in western Canada was raised on the second day of the session. We were assured at that time by the minister that action was being taken to make full use of drying facilities. Subsequently the situation deteriorated. On September 25 the hon. member for Saskatoon-Biggar (Mr. Gleave) asked for a statement dealing with the tough and damp grain situation. In a statement made on September 27 the government assured the house that matters were under control.

On October 9 the hon. member for Yorkton-Melville (Mr. Nystrom) asked about drying and storage facilities. He was told that inland terminals, lakehead terminals and the wheat board were acting on the problem. On October 10 the hon. member for Regina-Lake Centre (Mr. Benjamin) asked about delivery quotas, and the Minister without Portfolio (Mr. Lang) informed the house that the matter would be assessed after the unit quota had been filled.

• (10:00 p.m.)

On October 15 on the adjournment motion I discussed deteriorating conditions on the prairies. Several points were urged upon the government at that time. First of all, there should be special over-delivery quotas to enable tough and damp grain to move to terminals. Some action has been taken on this now. Second, there should be special action to clear space at elevator points now plugged with dry grain, which prevents facilities being used to move tough and damp grain. Third, there should be adequate co-ordination and control to ensure that drying facilities are used to the maximum, and to develop emergency facilities as needed. Fourth, there should be special depreciation allowances for storage and drying facilities.

On October 16, 17 and 21 there were more questions on the subject. On October 23 the hon. member for Saskatoon-Biggar (Mr. Gleave) moved an adjournment motion for discussion of this matter. This was not granted at that time. Later, on several other occasions, several members on this side of the house attempted to obtain more information from the government with regard to the program the government planned to initiate. On October 24 the hon. member for Regina-Lake Centre (Mr. Benjamin) asked about the possibility of extending accelerated depreciation allowances in respect of grain drying equipment. He asked the question again on October 25. On November 6 I asked the same question and was told that the matter was being studied. As yet we have not had any announcement or decision from the government. On November 6 the Minister of Agriculture (Mr.

Olson) informed the house that the situation was well in hand with regard to grain drying. Later, the next day, the Minister of Agriculture backtracked somewhat in dealing with the same problem.

In the past couple of weeks there have been further statements with regard to the inadequacy of box cars for the movement of grain. This is a matter in respect of which it has been difficult to obtain some of the facts. However, I think the house should be aware of the protest by the Saskatchewan Federation of Agriculture after a meeting with provincial government officials and representatives of other farm organizations. As I understand it, they sent a telegram to the Minister of Agriculture dealing with this situation and protesting the viewpoint that the situation is well in hand. I should like to quote from the Saskatchewan Wheat Pool farm news broadcast for November 12, 1968:

> The committee strongly states that this is not the case. According to the information received from the northern and eastern parts of the province, farmers believe that there will be little or no problem in getting rid of the damp grain. Publicity in recent weeks relating to the availability of box cars and the availability of grain drying facilities and storage at terminals has helped them to arrive at this conclusion.
>
> However, we wish to stress that, contrary to popular belief, both the inland and port terminals are drying insignificant amounts of grain at the present time. We ask that prompt action be taken by all authorities involved to put more pressure on railway companies to spot cars and speed up the eventual movement of grain to the terminals. The matter is urgent. Ports will close to shipping in a few weeks and as much damp grain as possible must be moved before then.

As reported in the Regina *Leader-Post* of November 19, 1968 the director of the Saskatchewan government agricultural representative branch stated:

> Nearly 100 million bushels of damp wheat will have to be dried on the prairies this year.

He went on to state as quoted in this article:

> An estimated 160,000,000 bushels had been harvested above the 17 per cent moisture content level, but drying facilities at all terminal elevators would be able to handle only 62,000,000 bushels for conditioning before the end of April, leaving 98,000,000 bushels to be dried elsewhere, he said.
>
> But the total extent of the problem is even greater when the amounts of very tough wheat, which also need drying, are taken into consideration.
>
> Mr. Boyes estimated that 170,000,000 bushels will have to be dried at some place other than the terminals.
>
> In Saskatchewan there are an estimated 170,000,000 bushels of damp or very tough wheat as well as 12,000,000 bushels of damp oats.
>
> "It doesn't look like we will come anywhere close to handling the damp grain without farm drying," he said.

At its recent convention the Saskatchewan Wheat Pool passed a resolution which stated as follows:

> That, in view of the impending disastrous economic situation facing farmers with damp, low-grade grain that could go out of condition, be it resolved that a program of financial assistance by the governments be sought, to assist producers in drying or caring for these stocks.

I would suggest that other than making use of already existing facilities which would have been used under any normal circumstances the government has not taken any extra special efforts, at least to the knowledge of members of this house and to the knowledge of the public, to deal with the situation which faces those on the prairie provinces.

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I have only three minutes, therefore it is going to take some special effort to try to answer all of the problems and questions which have been raised by the hon. member for Regina East (Mr. Burton).

First of all, I want to say categorically that we do not accept his assertion that the government has not taken any action. We do not accept his assertion that the government has been something less than frank in giving members of this house information in respect of this matter, in spite of his recital of all the questions which have been asked during the period when this harvest was coming in. For his information there will be a meeting tomorrow called by the Canadian Wheat Board, because of the serious implications of the tough and damp grain situation as it now exists in all sectors of the Canadian economy. More specifically, the western producers will be called in because it is essential that everyone affected by tough and damp grain be fully aware of the magnitude of the problems and the most effective and expeditious way of dealing with them throughout the ensuing months.

We have a report from the Saskatchewan department of agriculture which made a survey several days or, indeed, several weeks ago which indicates there are something in excess of 800 on-farm dryers, and the number is going up every day. This government has announced its intention to provide for accelerated depreciation in respect of on-farm dryers, but it requires action on the part of this house in passing the budget resolutions

and the budget bills before that can be brought into effect. The Minister of Finance (Mr. Benson) announced that there would be accelerated depreciation in respect of on-farm storage, and an arrangement will be worked out in this regard as well as in respect of additional on-farm dryers.

The hon. member complained about the over-delivery quotas being set for tough and damp grain, and the fact that there were not enough box cars to deal with it. He must realize that there are millions of acres in western Canada, and when you multiply that by three bushels, that does not mean automatically that the next day you can get this grain out of western Canada. Anyone who has any familiarity with the situation knows that there are physical limitations involved. It is also a well known fact that in western Canada there has been some movement of dry grain out of inland terminals to provide for sufficient space around the drying facilities in these five terminal elevators; so the maximum use can in fact be made of these drying facilities, which is something of the order of 165,000 bushels per day.

The Acting Speaker (Mr. Béchard): Order, please.

Mr. Olson: I am sorry, Mr. Speaker, that I have run out of time, because I have lots more to say on this subject.

POST OFFICE DEPARTMENT—RECLASSIFICATION OF SURPLUS RAILWAY MAIL CLERKS

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, perhaps I should give the minister my time. When I read an article regarding the blast that had occurred regarding the bad faith treatment of surplus railway mail clerks, it immediately came to my mind that this situation exists in my own city of Moose Jaw. This situation can be traced directly back to the action of the Post Office Department and the Postmaster General in cancelling the mail contracts to the mail passenger trains which were in existence. That cancellation of mail contracts to these passenger trains brought about this classification of surplus railway mail clerks. This was never required before. We all know that Moose Jaw at one time was one of the centres which employed a large number of railway mail clerks. At this time they are practically non-existent.

I should like to ask the Postmaster General three questions. I am sure he has read the article to which I have reference. I should like to know whether or not railway mail clerks have been integrated in a seniority list. Let me make it absolutely clear that I am not entering into any jurisdictional dispute between the postal workers and the Public Service Alliance of Canada, or any association which is represented in this particular regard.

• (10:10 p.m.)

I would like to ask whether the Post Office Department unilaterally withdrew the guarantees given by the Craig formula to maintain job security for surplus railway mail clerks. My second question is: Was any assurance given to the surplus railway mail clerks' representatives by either the Post Office Department or Treasury Board to the effect that there would be no change in the status of surplus mail clerks until the matter could be settled through collective bargaining? If the surplus railway mail clerks have been reclassified by the Post Office Department and approved by Treasury Board without consultation or collective bargaining, I suggest this government stands convicted of bargaining in bad faith, and their word is completely suspect.

The Postmaster General should clarify this matter. In my opinion it is a complete farce to even suggest that some of the members of this cabinet are remotely concerned about democratic, collective bargaining if what is said to be happening is really a fact. I refer to what we have read in this paper. I ask the minister to clarify the points I have raised at this time.

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, those are clearly inflammatory charges. I think I could probably answer all three questions by saying that on Wednesday next there will be a meeting between members of Treasury Board, the president of the Public Service Alliance of Canada and officials of my department in which they will review the whole situation. Therefore I can say that no action has been taken to reclassify the surplus mail clerks, of which the hon. member has accused us.

I would say however that we are quite impatient that this reclassification get on, because we now have a situation where there are what you might call active surplus mail clerks and those who are waiting for an assignment of new tasks. The problem that concerns us is that the ones who have already been assigned other tasks, whether as postal

clerks or whatever it might be, are being reintegrated into the department, and a group of those employees are still surplus. The board has ruled that they shall be represented by the Public Service Alliance, and we have no quarrel with that as such, except that it does raise some very considerable problems. If the Alliance acts for both, we will have the situation where probably red circled employees will be performing the same jobs as employees represented by the council, who receive different rates of pay and of course have different fringe benefits and other conditions of work.

Therefore, I would hope that most of this matter can be cleared up on Wednesday without any accusations of bad faith being imputed to anyone.

Motion agreed to and the house adjourned at 10.16 p.m.

[The following items were passed in Committee of Supply this day:]

REGIONAL DEPARTMENT

20, 25, L90, L95.

DEPARTMENT OF LABOUR

1, 5, 10, 15, 20, 25.

HOUSE OF COMMONS

Tuesday, November 26, 1968

The house met at 2.30 p.m.

[*Translation*]

HEALTH, WELFARE AND SOCIAL AFFAIRS

SECOND REPORT OF STANDING COMMITTEE

Second report of permanent committee on health, welfare and social affairs—Mr. Gaston Isabelle (Hull).

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

TOBACCO RESTRAINT ACT

REQUIREMENT THAT HEALTH WARNING APPEAR ON CIGARETTE PACKAGES

Mr. Antonio Yanakis (Berthier) moved for leave to introduce Bill No. C-134 intituled "An Act to amend the Tobacco Restraint Act".

Some hon. Members: Explain.

Mr. Yanakis: Mr. Speaker, last week in a news release, the hon. Minister of National Health and Welfare (Mr. Munro) drew the attention of Canadians to the health hazards of tobacco and published, for information purposes, a table of 85 brands of cigarettes giving their nicotine and tar contents.

Reports published recently by prominent chemists such as Dr. N. F. Forbes, professor at the Waterloo University, and other doctors throughout the world, have proved beyond a doubt that cigarettes can cause cancer, respiratory ailments, emphysema, coronary and other diseases.

Mr. Speaker: I must remind the hon. member that the provisions of standing order 71 allow him only a brief explanation at this time.

Mr. Yanakis: I therefore ask the house to give priority to this bill so that it may be referred as soon as possible to the committee on health, welfare and social affairs for consideration and immediate steps to be taken in the interest of the citizens of the country in order to force the cigarette companies to print on the packages: "Warning—Smoking is a—

Motion agreed to and bill read the first time.

[*English*]

THE CANADIAN ECONOMY

INQUIRY AS TO TABLING OF WHITE PAPER ON COSTS AND PRICES

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a follow up question to one I asked the Prime Minister a number of weeks ago. It relates to a promised or indicated white paper or statement regarding measures the government proposes to take to support its anti-inflationary program. My recollection is that the Prime Minister indicated that within a relatively short period of time he would be in a position to state the intention of the government in this regard. Can he tell me when we might expect such a statement?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I believe the Leader of the Opposition is referring to a white paper on stabilization, or a board to stabilize prices and incomes. The Minister of Consumer and Corporate Affairs indicated in his speech to the house of about ten days ago, I believe, that this white paper would be in before the end of the year. That is as close a commitment as I can now give to the Leader of the Opposition.

Mr. Stanfield: A supplementary question, Mr. Speaker. Is it proper to assume that the concept announced by the former prime minister last February with regard to the role of a prices and review board has been dropped, or at least very substantially changed, and a new concept adopted?

Mr. Trudeau: No, Mr. Speaker, I do not think there will be any fundamental departure from what was indicated by the then prime minister. As a matter of fact some of the plans he set forth have been followed by me in the sense that I have had meetings with leaders of labour and industry and have discussed these plans with them. I have also had several meetings with responsible people in the area of finance. I have asked advice of people who have looked at this kind of experiment in the United Kingdom, and the Minister of Consumer and Corporate Affairs has done a great deal of work on it. I believe all this is in the general direction indicated earlier last year by Right Hon. L. B. Pearson.

Inquiries of the Ministry

COMMUNICATIONS

SATELLITE DESIGN STUDIES COMMISSIONED BY GOVERNMENT

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I should like to address a question to the Postmaster General. In light of press reports of designs of and plans for a communications satellite, publicized by Northern Electric, can the minister inform the house whether the government commissioned any firm to make a feasibility study, for a fee, on this subject; and if so, has he received any report?

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, I regret to have to inform this house that the first I learned of the results of two studies that were commissioned by the government on May 1, was last night after one of the firms had held a press conference.

In answer to the hon. member's question I may say that in May through the Department of Industry the government had commissioned two studies respecting the design, development and supply of a domestic satellite communications system. The contracts were let at a cost of approximately $550,000. The part that bothers me is that neither I nor my colleague the Minister of Industry, Trade and Commerce has yet received such reports.

I see that one of the companies, and the other company this morning, are prepared to launch satellites of a certain size and design. This has not been decided by the cabinet, nor has my department made any recommendations to my colleagues in the cabinet. At the present time my office is in touch with the two companies concerned. I expect to see them. I expect to receive copies of the reports, at which time I think I will make the point that such studies, when commissioned by the government, are the property of the government—

Some hon. Members: Hear, hear.

Mr. Kierans: —and are not to be used as springboards for public relations circuses or in an attempt to sell their other wares.

Mr. Lewis: Mr. Speaker, my supplementary question arises out of the commendable indignation of the Postmaster General, which I share. I ask the Postmaster General whether when he receives those reports he will study them to see how much of the publicity derives from them and from the information in them, and assure the house that he will take the necessary action against the companies for using information and reports which

are the property of the government and for which the government has paid.

Mr. Kierans: One thing I intend to make sure of, Mr. Speaker, is that the cost of the two press conferences will not be chargeable to the government.

Mr. Lewis: That is not very much consolation.

Mr. Kierans: Certainly my officers are very anxious also to see and evaluate the two reports, and to make such recommendations as may then seem to them to be appropriate.

Mr. A. D. Hales (Wellington): I have a supplementary question, Mr. Speaker. I would just like to ask the minister responsible for communications if it is his intention to improve communications between the departments.

Mr. Lewis: I have a further supplementary question, Mr. Speaker. I do not know whether the Postmaster General did not hear my question or deliberately thought it unwise to answer it, but I would like to ask whether he would assure the house that he will take action against these companies if they have used any information in any parts of the report for which the government has paid.

Mr. Kierans: Mr. Speaker, I do not think they have used any information. If they have, of course we will take steps to safeguard the interests of the government and the people of Canada. Of that I can assure the hon. member. I think they were probably very proud of their work and wanted to boast about it before they informed the people who had commissioned the work.

Mr. Ed Schreyer (Selkirk): I have a supplementary question, Mr. Speaker. Can the Postmaster General assure the house that the firms which were commissioned to do this research study will not necessarily be called upon to involve themselves in the development of the satellite?

Mr. Kierans: I can give no such assurance because obviously we have a tremendous capability within the department itself, that is within the defence research telecommunications establishment. They are the ones who will direct the work leading to the placing in orbit of the first operational satellite of any western country. I will be guided by their advice, Mr. Speaker.

[*Translation*]

INQUIRIES OF THE MINISTRY

On the orders of the day:

Mr. René Matte (Champlain): Mr. Speaker, I wish to direct a question to the Prime Minister.

Did he send a message of congratulations to the president of the French republic about his decision not to devaluate the franc, as did the President of the United States?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I did not send any telegram, but Canada did send France $100 million.

[*English*]

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a question for the Prime Minister. Will the Prime Minister explain the mission undertaken by the government leader in the other place?

Right Hon. P.-E. Trudeau (Prime Minister): Will I explain what, sir?

Mr. Speaker: Order. The hon. member realizes that the Speaker has to make a ruling on questions, and I suppose they should be just a little clearer than this so he can determine whether it is a matter of urgency, or a matter of national importance, and whether the question can be asked at this time.

Mr. MacInnis (Cape Breton-East Richmond): With all due respect I will forgo the opportunity, since it is not clear to the Prime Minister who is running the government.

Mr. Speaker: Order, please.

Mr. Ambrose H. Peddle (Grand Falls-White Bay-Labrador): Mr. Speaker, my question is directed to the Prime Minister. In view of a report in today's *Globe and Mail* to the effect that the government is giving some $75,000 to a manufacturer to investigate three proposals for the modernization of bathrooms—

An hon. Member: For the Privy Council.

Some hon. Members: Hear, hear.

Mr. Speaker: Order, please. Will the hon. member kindly ask his question?

Mr. Peddle: —and in view of the avowed intention of the Prime Minister and his government to stay out of the nation's bedrooms, would it not be wise for the Prime Minister and his government also to stay out of the nation's bathrooms?

Mr. Donald MacInnis (Cape Breton-East Richmond): It really does not matter who answers this question, but I would appreciate it very much if the Prime Minister could be recognized. He is beginning to look like a yo-yo.

Mr. Speaker: Order, please. The Prime Minister.

Some hon. Members: Hear, hear.

Hon. W. G. Dinsdale (Brandon-Souris): Because of the prevailing good mood of the house perhaps I might be allowed to direct a question to the Postmaster General. In his recent comments on defence matters was the hon. gentleman speaking as a leadership candidate or was he merely flying a satellite?

Mr. Speaker: Order. In spite of the good mood of the house, the hon. member cannot ask that question.

Mr. Frank Howard (Skeena): My question is prompted by the declaration of the Prime Minister concerning the independence of cabinet ministers when commenting on various items. I should like to direct a question to the Solicitor General and ask him whether he has read and would care to comment upon the derogatory and slighting remarks made about him by the Prime Minister.

Mr. Speaker: Order, please.

THE MINISTRY

FREEDOM TO EXPRESS PERSONAL OPINIONS ON POLICIES

On the orders of the day:

Mr. G. W. Baldwin (Peace River): I have a question for the Prime Minister. Would he confirm to this house that he has authorized, as a matter of government practice in respect of policies in the process of formulation, ministers of the crown to express their personal opinions, as for example ministers to whom the reports of the companies referred to by the Postmaster General were given? Would these ministers be free to express their

opinions about these reports once they had received them?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I fail to get the point of the question.

Mr. Baldwin: I will put it more simply, Mr. Speaker. Will the Prime Minister confirm that as a matter of government practice he has authorized ministers of the crown to express their personal opinions in respect of policies being formulated?

Mr. Trudeau: Mr. Speaker, I think this government encourages ministers and members of its caucus to express opinions in as wide an area as possible. The only prudent thing for a minister or for a member of parliament—especially for a minister—to do is to make sure he does not place himself in an irrevocable position which might be contrary to that which the government might eventually take.

Mr. Baldwin: I have a supplementary question, Mr. Speaker. Will the Prime Minister confirm that ministers will be free to do this in the House of Commons as well as outside it, and in general debates during which future policies are being formulated?

Mr. Trudeau: I suggest the hon. member should listen to more of our ministerial speeches in the house, Mr. Speaker.

Mr. Baldwin: I have a supplementary question, Mr. Speaker.

Mr. Speaker: Order, please. I doubt very much that this type of question can be asked at this time. This is certainly changing into a debate or even an argument between the hon. member and the Prime Minister.

Mr. Baldwin: Mr. Speaker, I have one more supplementary question which I think is essential on this matter, and I would like leave to put it. Has the Prime Minister not considered the very serious problems this would pose, having in mind how difficult it is to find out what is government policy?

Mr. Speaker: Order, please. This is precisely what I had in mind. The original question and the supplementary questions have turned into debate and argument, and should not be asked at this time.

NATIONAL SECURITY

REPORTED STATEMENTS BY U.S. NATIONAL AT UNIVERSITY OF BRITISH COLUMBIA

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prince Albert): My question is directed to the Solicitor General. I am glad he is here, but we always knew where he was. In view of the large influx of good representatives, properly interspersed with revolutionaries, who are en route to Montreal or already there, I should like to ask the minister if he is now in a position to answer the question I asked him on October 28. At that time I was referring to Rubin and other revolutionaries of the kind who advocate bloody revolution in Canada. Everybody knows they are endeavouring to foment revolution—

Mr. Speaker: Order, please. Would the right hon. gentleman kindly ask his question?

Mr. Diefenbaker: Well, Mr. Speaker, I have to identify what the question was. As long as the minister has it before him I ask him now, in view of the statement that he would take the matter as notice and secure information thereon, whether he is now able to tell us what is the attitude of the government toward putting out the welcome mat for those who are coming into this country to advocate open revolution.

Hon. G. J. McIlraith (Solicitor General): The question referred to appears at page 2084 of *Hansard*. It occupies rather more than a column of *Hansard*, and I feel I should read to the house what I said on that occasion:

> Mr. Speaker, I should be very glad to take the question as notice, because as it is posed it is really a statement giving a lot of information certain parts of which I did not have before. I will be glad to look at the whole form of the question and bring forward an answer on the part of it which relates to this department.

I did that very carefully and thoroughly, and no part of the question relates to this department.

Mr. Diefenbaker: That, Mr. Speaker, is not an unexpected answer because that government does not know what its responsibilities are.

Mr. Speaker: Order, please.

Mr. Diefenbaker: I would then direct the question to the Prime Minister who, with the all-seeing eye, will be able to give an answer.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, this is a matter for the Minister

of Manpower and Immigration. If you look at the relevant page in *Hansard* you will find that he stated government policy on this question.

Mr. Diefenbaker: The Prime Minister's answer is that the government is afraid to answer.

Hon. Marcel Lambert (Edmonton West): I have a supplementary question. I would then repeat my question, why is it that the Minister of Manpower and Immigration and the Secretary of State continue to deny applications for citizenship by residents of Canada for 30 years who at one time were related to so-called communist front organizations?

Mr. Speaker: Order, please. The question is clearly argumentative.

[*Translation*]

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker, speaking of revolutionary agents, I wish to direct a supplementary question to the Prime Minister.

Could the Prime Minister inform the house of the whereabouts of another revolutionary agent who has been missing for a few hours and whose name is Dalton Camp?

[*English*]

INDUSTRY

RESPONSIBILITY FOR SAFETY OF MINE WASTE HEAPS

On the orders of the day:

Mr. Randolph Harding (Kootenay West): I should like to direct my question to the Minister of Energy, Mines and Resources or in his absence to the acting minister. In view of the two deaths which occurred near Natal as a result of slides from mine waste heaps, and in view of the statement by the chief mining inspector for British Columbia that these mine waste heaps are not the responsibility of anybody, is the federal government prepared to assume responsibility in this matter?

Hon. Arthur Laing (Minister of Public Works): Mr. Speaker, I shall endeavour to obtain a comment from the minister on this matter, which might be made tomorrow.

NATIONAL DEFENCE

INQUIRY AS TO REPAIRS REQUIRED FOR HERCULES PLANES

On the orders of the day:

Hon. D. S. Harkness (Calgary Centre): Mr. Speaker, I have a question for the Minister of National Defence. Arising out of a report that nearly all of the Hercules planes used by the Americans in Viet Nam have been found to have wing cracks and have been recalled for an $11 million repair job, can the minister say whether there is similar danger to Canadian Hercules planes and, in particular, to the one which is now in use by the International Red Cross to take relief to Biafra?

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, we are aware of what has happened to the American planes in Viet Nam. We are keeping a very close watch on our planes and nothing of that sort has developed so far.

NATIONAL REVENUE

REQUEST FOR INCREASED STAFF AT EDMONTON AIRPORT

On the orders of the day:

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I wish to direct a question to the parliamentary secretary to the Minister of National Revenue. Would the minister undertake to provide an adequate customs staff and personnel at the Edmonton international airport in order to relieve the single official presently performing this function?

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

AIR CANADA

INQUIRY AS TO APPOINTMENT OF PRESIDENT

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister. Has the appropriate authority communicated to the Prime Minister the name of the new president of Air Canada?

Right Hon. P.-E. Trudeau (Prime Minister): No, Mr. Speaker, but it was my understanding that it would be announced at 1.30 today. I have not been listening to the radio.

Mr. Nesbitt: As a supplementary question, would the right hon. Prime Minister be good enough to ascertain who this person may be and revert to motions so he can make a statement thereon?

Mr. Trudeau: I shall be glad to attempt to do that, Mr. Speaker, if the announcement has been made by Air Canada people. I would be most anxious to hear about it and to announce it to the house.

Inquiries of the Ministry

[*Later:*]

Mr. Trudeau: I suppose I ought to revert to motions; there is a fairly long release from the board of directors of Air Canada. But the essence of the reply to the question which was asked a few minutes ago is that the board of directors of Air Canada today at 1.30 announced the appointment of Mr. Yves Pratte, Q.C. of Quebec as chairman of the board and chief executive officer of the company, and of Mr. J. R. Baldwin of Ottawa as president. These appointments are effective December 15.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister supplementary to his announcement about Air Canada appointments, and supplementary also to the question asked by the hon. member for Lisgar. Now that the appointments to the two most senior positions in Air Canada have been made, will the government discuss once again with that organization the whole question of the overhaul and maintenance base at Winnipeg in the hope that it may be settled favourably and at an early date?

Mr. Trudeau: The hon. member will have noted that the appointments are effective December 15, and we do not think the question should wait that long to be discussed, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): Hear, hear.

FISHERIES

REQUEST FOR REPORT ON ESTABLISHMENT OF STRAIGHT BASE LINES

On the orders of the day:

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. In view of the fact that over-fishing by foreign nationals in Canada's territorial waters has caused a serious decline in our fisheries resources, would he inform the house whether any progress has been made in his discussions with other countries to reach agreement on geographical co-ordinates from which base lines for the 12-mile limit will be drawn?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I would like to take notice of that question.

[Mr. Trudeau.]

INDIAN AFFAIRS

INQUIRY AS TO RELEASE OF HAWTHORN REPORT

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, in the absence of the Minister of Indian Affairs and Northern Development may I direct a question to the hon. member for Port Arthur in his capacity, I assume, of acting minister, and ask when the house and the public might expect to receive the remainder of the Hawthorn report relating to Indian affairs?

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, I shall take notice of the question and advise the hon. member as soon as possible when the rest of the report will be released.

CANADIAN BROADCASTING CORPORATION

INQUIRY AS TO STATUS OF DISPUTE WITH TECHNICIANS

On the orders of the day:

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I would like to direct a question to the Secretary of State, who I see is not present in the house; therefore perhaps his parliamentary secretary can take notice of it. I would like to ask the minister whether a tentative agreement has been reached between negotiators for the C.B.C. and the National Association of Broadcast Employees and Technicians. I ask this question, Mr. Speaker, because apparently if such an agreement has not been reached we cannot avert a blackout of television and radio programming.

Mr. Speaker: Order. I would think this question should be placed on the order paper.

COMMONWEALTH CONFERENCE

ROOMS RESERVED IN LONDON FOR CANADIAN DELEGATION

On the orders of the day:

Mr. Don Mazankowski (Vegreville): Mr. Speaker, may I direct a question to the Prime Minister. Can he say how many people he is taking to the Commonwealth prime ministers' conference in London, and what is the purpose of the 26 rooms reserved for this delegation at the posh Claridges Hotel in London?

Mr. Speaker: Order. It seems to me this is a repetition of a question that was asked yesterday.

AGRICULTURE

STEPS TO MEET INCREASES IN COSTS

On the orders of the day:

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, in the absence of the Minister of Finance may I direct my question to the Prime Minister. Since the outlook conference on agriculture stated that the price index of cost of goods and services used by farmers rose by 6.4 per cent in the 1966-67 period, and since that same conference forecast a similar increase—

Mr. Speaker: Order, please. The hon. member has to ask a question. He cannot seek to give information but must ask for information.

Mr. Gleave: Mr. Speaker, my question is this. What does the government intend to do to check this fantastic cost increase, which will amount to something like 13 per cent in the two-year period for agriculture?

Right Hon. P.-E. Trudeau (Prime Minister): I wonder if the hon. member would mind directing his question to the minister when the minister is supposed to be in the house.

Mr. Knowles (Winnipeg North Centre): He is supposed to be here now, isn't he?

[*Translation*]

TELEVISION

INQUIRY AS TO LEGISLATION ON EDUCATIONAL BROADCASTING

On the orders of the day:

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I wanted to put a question to the Secretary of State, but in his absence, I will direct it to the Prime Minister.

Following the statement of the Quebec premier on educational broadcasting, will the government decide to issue licences for educational broadcasting to provinces wishing to operate their own system?

Right Hon. P.-E. Trudeau (Prime Minister): We will, Mr. Speaker, apply the constitution which gives to the federal government jurisdiction on broadcasting.

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

Will educational broadcasting be on the agenda of the next federal-provincial conference to be held in Ottawa in December? Will it be considered?

Inquiries of the Ministry

Mr. Trudeau: Mr. Speaker, the question of the distribution of jurisdictions between the two levels of government is in fact on the agenda and the provinces might wish to discuss it.

Mr. Asselin: I have a further supplementary question, Mr. Speaker.

I think it should be easy for the Prime Minister to answer yes or no to my question whether that will be on the agenda.

Mr. Trudeau: Yes and no, Mr. Speaker.

[*English*]

NATIONAL DEFENCE

SALARY INCREASES FOR NON-CLASSIFIED CIVILIAN PERSONNEL

On the orders of the day:

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the Minister of National Defence. Could he shed some light on a serious and growing problem that is of concern to civilian employees of his department who still have not been classified? There are thousands of such employees, and they want to know whether action with regard to their pay increases will be taken before the end of the current year.

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, I understand that in the case of these people to whom the hon. member refers the classification process has not yet terminated, and that is probably why there is a delay.

Mr. Forrestall: A supplementary question, Mr. Speaker. Will the minister please find out whether the process has even begun? These people are complaining that the process has not yet begun.

Mr. Cadieux (Labelle): I will undertake to do that, Mr. Speaker.

FISHERIES

PROPOSED POLLUTION OF LAKES FOR RESEARCH PURPOSES

On the orders of the day:

Mr. Ed Schreyer (Selkirk): Mr. Speaker, my question is directed to the Minister of Fisheries and arises from a news report that the Fisheries Research Board will, for purposes of experimenting, artificially pollute 100 lakes near the Ontario-Manitoba border. Did the department or the board consult with the two affected provinces before making this decision?

Inquiries of the Ministry

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, I am not aware of the press report the hon. member refers to. I will look into the matter and report back to the house.

WATER RESOURCES

PEMBINA RIVER—REQUEST FOR REPORT ON DEVELOPMENT

On the orders of the day:

Mr. George Muir (Lisgar): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. He may want to take it as notice. Will he look into the present status of the Pembina river development, which has been approved by the International Joint Commission? Probably the minister will want to report to the house on negotiations between the Manitoba government and the United States authorities.

Mr. Speaker: Order, please. I should think that question could be asked by putting it on the order paper.

HEALTH AND WELFARE

REQUEST FOR INCREASED GRANTS FOR HEART TRANSPLANT RESEARCH

On the orders of the day:

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Minister of National Health and Welfare. Would he consider the establishment of a special medical research grant above the usual research grants for the purpose of stimulating and increasing much needed Canadian research and allowing Canada to take the lead in research pertaining to heart transplants and associated problems?

Mr. Speaker: I doubt whether this is a matter of urgency, but perhaps the minister might be allowed to answer.

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I shall be pleased to have this matter referred to the Medical Research Council. As the hon. member knows, that is an autonomous body reporting to parliament through me.

THE MINISTRY

REQUEST FOR STATEMENT ON MEETING WITH CHAMBER OF COMMERCE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. Will he tell the house what commitments he made yesterday to the Canadian Chamber of Commerce that made them so jubilant about their visit with him?

[Mr. Schreyer.]

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I told them that this was a good government and likely to remain in power for some time.

Some hon. Members: Hear, hear.

Mr. Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. My leader suggests that I ask the Prime Minister what truthful thing he told them, but I would not do that. Instead, may I ask the Prime Minister if he made commitments to the Chamber of Commerce in relation to their objections to medicare?

Mr. Trudeau: Mr. Speaker, the Minister of National Health and Welfare made the statement on this aspect. I cannot say that the Chamber of Commerce was extraordinarily happy with what he had to say.

Mr. Knowles (Winnipeg North Centre): Then I had better leave it at that.

Mr. George Muir (Lisgar): A supplementary question, Mr. Speaker. When the Prime Minister finished bragging to the Chamber of Commerce did he tell them that he intended to maintain the Air Canada overhaul base in Winnipeg?

Mr. Speaker: Order, please.

[*Translation*]

NATIONAL DEFENCE

NATO—REQUEST FOR STATEMENT OF GOVERNMENT POLICY

On the orders of the day:

Mr. Henri Latulippe (Compton): Mr. Speaker, I have a question for the Minister of National Defence.

Is it the intention of the government to maintain and even increase its forces in NATO, in view of the pressure exerted by member countries?

Hon. Léo Cadieux (Minister of National Defence): That is precisely a question to which the cabinet has been giving its constant consideration, Mr. Speaker.

[*English*]

EXTERNAL AID

NIGERIA—PROVISION OF CARIBOU AIRCRAFT FOR RELIEF FLIGHTS

On the orders of the day:

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Prime Minister. In reply to one of my questions and a similar question asked by the hon. member for Halifax-East Hants (Mr. McCleave), the Prime Minister said yesterday in the house that we were still awaiting a reply from the Red Cross as to whether they can or cannot use our Caribou aircraft that were destined for relief work in Nigeria. Has the Prime Minister received a reply on this subject as yet?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, may I be permitted to reply to this question. We have not yet received a reply.

Mr. Nystrom: A supplementary question, Mr. Speaker. Has the Canadian government made a request to the Nigerian Red Cross with respect to the use of the aircraft.

POST OFFICE DEPARTMENT

COMPLAINTS FROM FARM PUBLICATIONS AS TO INCREASED RATES

On the orders of the day:

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is for the Postmaster General. Has the minister received representations from farm magazine publishers to the effect that many of them may have to cease publication after the new postal rates come into effect? If so, has the minister considered the situation.

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, I received a number of such representations prior to the adoption of the bill. I pointed out to those making representations that in most cases they could cover the increased cost simply by increasing their subscription rates by as little as 35 cents a year.

NATIONAL PARKS

GLACIER—INQUIRY AS TO LOGGING OPERATIONS

On the orders of the day:

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I wish to direct a question to the Minister of Indian Affairs and Northern Development or in his absence to the acting minister. Has the government, through the national parks board, announced that logging operations will be allowed in Glacier National Park, and particularly in that section bordering the trans-Canada highway through Rogers pass. If so, when will logging operations begin?

Mr. Speaker: Order, please. I wonder whether this is a matter of urgency. If it is the hon. member may wish to give the Chair notice to have the question debated at the time of adjournment.

LABOUR CONDITIONS

NEWFOUNDLAND—UNEMPLOYMENT RESULTING FROM FISH PLANT CLOSING

On the orders of the day:

Mr. John Lundrigan (Gander-Twillingate): My question is directed to the Minister of Fisheries. In view of the recent closing of a large processing plant on the west coast of Newfoundland and the pending closure of a number of other such operations, can the minister say whether the government is taking any action to reinstate the deficiency payment to the Atlantic fresh fish industry?

Hon. Jack Davis (Minister of Fisheries): I am sorry, but I did not hear the first part of the question.

Mr. Lundrigan: In view of the closing of a plant on the west coast of Newfoundland, putting 400 people out of work, and the pending closure of a number of other plants in the same area, is the government taking any action to reinstate deficiency payments to the fresh fish industry?

Mr. Davis: My understanding in the case of this plant is that it operates on a seasonal basis and that it normally closes at this time of year. However, I will look into the matter further.

Mr. Lundrigan: In view of the fact that 400 people have been prematurely put out of work, can the minister say whether his department is co-operating with the provincial department and the Department of Manpower and Immigration to offset the effect of this unemployment?

Mr. Davis: Yes, we are always co-operating with the provincial government in that province.

External Aid

EXTERNAL AID

MOTION FOR CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE ON EXTERNAL AFFAIRS AND NATIONAL DEFENCE

Mr. Speaker: Pursuant to special order of the house made on November 6 a motion is now before the house, as follows:

That the second report of the standing committee on external affairs and national defence, presented to the house on Wednesday, November 6, be concurred in.

Right Hon. P.-E. Trudeau (Prime Minister): One of the strengths of Canada, Mr. Speaker, one of the qualities of the Canadian people that makes me proud to be a Canadian, is the interest which Canadians take in the welfare of others less fortunate than themselves. We are, I think it is fair to say, human beings first and citizens second. Successive Canadian governments have received full public support for measures which have been designed to relieve the suffering of persons elsewhere. In addition to our programmed external aid, Canada has again and again provided emergency food and relief supplies in generous measure to victims of famine and natural disasters. We have on several occasions welcomed to our midst in large numbers the unfortunate victims of wars and disruption.

We all stand taller as a result of our sympathies for human beings and our efforts to assist them. We stand taller not because we are seeking to mollify our own consciences, nor because we need to boast to others of our humanitarian motivation; we stand taller because we have chosen the right path of conduct and have been effective in the help we have tendered.

And this to me, Mr. Speaker, is what this entire debate today is about. It is unnecessary to discuss whether Canadians actively wish to assist the unfortunate victims of the civil war in Nigeria. They do. It is irrelevant to discuss whether a Canadian government can properly involve itself in a relief effort abroad. It can. The single point in issue is whether this government has acted correctly and wisely in doing what it has done.

In this respect correctness is not measured in red tape or technicalities and I shall not therefore make any attempt to suggest these considerations as an explanation for Canadian policies. But in this same respect, Mr. Speaker, neither is wisdom measured in the volume of our own voices raised in international arenas.

If we are truly and honestly committed to assisting the peoples of Nigeria, both correctness and wisdom must be measured in terms of the effectiveness of our efforts to help. Victims of war are not helped by grandiose speeches in the General Assembly; starving children are not nourished by acts which prolong hostilities.

[Translation]

For several weeks, Mr. Speaker, the Canadian people have shown much concern and sympathy for the problem now being discussed. Opinions, comments and questions about it have increased. A standing committee has considered that matter.

The civil war in Nigeria is a particularly complex matter. Its outbreak is linked to various factors and its roots go back quite far in the history of that great country and it is possible that only those who are engaged in that conflict can measure its intensity and understand its full meaning. In any case, Canadians as individuals have been deeply moved by the stories and pictures describing the suffering of the people of that country and they have felt involved. It is necessary however to grasp a fundamental point, namely that it is a civil war and that the solution of the conflict can be arrived at only by the belligerents themselves. Of course, those from outside can offer their services, but they cannot impose a settlement which would be contrary to the will of either side. In that connection, the good offices of the secretary general of the commonwealth as well as those of the Organization for African Unity have been and will always be available, and I hope that they will continue to be used.

The fact is that during all the hostilities, there have been periodic discussions between Nigerian authorities and the rebels, some of them extending over several weeks. But it appears that it is not enough to have the belligerents talk things over, or even declare the urgency of a cease-fire. They must also be willing to make concessions leading to a peaceful settlement, and this is exactly this conciliatory spirit which cannot be imposed from the outside.

We have expressed on several occasions the earnest hope of this government to see the opponents in this tragic war show at least the good-will necessary to negotiate a lasting peace.

In testifying before the committee, the secretary general of the commonwealth, Mr. Arnold Smith, helped us to understand some of the implications of the problem. He explained, for example, that on several occasions during the past 18 months, certain compromises which he, as an outsider, thought

quite acceptable, might have been found. However, Mr. Smith then added that there was no hope of a settlement unless the two sides themselves made some compromises. I quote some of his words:

> The Biafrans will have to make concessions with regard to sovereignty, and Lagos will have to make concessions with regard to physical security and economic viability.

I bring up that statement again, Mr. Speaker, to make clear that those who were in a position to offer their good offices made a close study of the question and that it is up to the belligerents to find within themselves the true spirit of conciliation which is the prerequisite of any compromise. Above all, we must not think that we, in Canada, were the first to become aware of that war, and that we have all the answers. We do not have them.

If Canada attempted, in one way or another, to impose any solution whatever to the conflict, that effort would constitute an intervention in the internal affairs of another country.

• (3:20 p.m.)

[*English*]

The policy which my government has followed in this situation has been motivated, as is proper, by humanitarian considerations. But what a government cannot do in this or in any other situation is to depart from the broad context of its foreign policy or its general and carefully formulated outlook on the world. Thus our policy involves our attitudes toward the aspirations of the developing countries; it touches on our position in the Commonwealth and the United Nations; it urges us to be realistic in our continuing desire to play a useful, responsible role on the world scene. I emphasize this concept of responsibility in foreign policy both because it is particularly relevant to the question of Nigeria, and because it is our belief that in the increasing complexities we have to face in international affairs it is steadily more important that countries like Canada play their parts responsibly.

We see in Nigeria a tragic and bloody civil war taking place in a Commonwealth country with which Canada has developed strong ties of friendship. I am not now talking about red tape or protocol or diplomatic technicalities. I am talking about a real issue. Contemporary international practice recognizes a fundamental legal obligation not to interfere in the internal affairs of another state. The United Nations General Assembly's unanimous declaration on non-intervention in 1965 describes this duty in no uncertain terms:

> No state has the right to intervene, directly or indirectly, for any reason whatever, in the internal or external affairs of any other state.

Certainly world concern for the promotion and protection of basic human rights has enabled the assembly effectively to overcome past objections that even the mere discussion of these rights constituted a form of intervention. However, in this particular instance there was no general desire to have the item discussed at the United Nations. Moreover, in so far as actual intervention is concerned, that is, action by the United Nations within the territory of a state without its consent, it should be realized that only in the most extreme circumstances involving the maintenance or restoration of international peace and security can the appropriate United Nations organ authorize or approve such intervention.

I emphasize that to many of the states of the world—those which have only recently gained independence—the principle of non-intervention is a dominant consideration. As an example I need only recall that for all of the concern of the countries of Africa for the plight of the native population in the republic of South Africa, there has never been a proposal from an African country that the United Nations possesses the right to violate the territorial integrity of South Africa. The question of southwest Africa because of its mandate is distinct and not to be confused. If, therefore, the Africans, for fear of creating a precedent which might be used against themselves later, have not raised the argument of intervention on humanitarian grounds in South Africa, it is not likely that any Canadian effort to intervene in Nigeria would be met with other than outraged opposition.

There have been persistent proposals in this house and in the press that Canada raise this issue at the United Nations. Notwithstanding what I have just said, I should like to assure the people of Canada that we have gone into this deeply. There have been intensive consultations with other delegations in New York; the Secretary of State for External Affairs (Mr. Sharp) sought the views of the United Nations secretary-general in an exchange of messages in September; our missions abroad have sought advice; I talked personally with the secretary-general about this and other matters. As a result of all this, of my own talks with the secretary-general,

of continuing inquiries made at the official level at the United Nations and in a number of foreign capitals, I remain convinced that an attempt to inscribe the Nigerian conflict on the agenda of the General Assembly would not only be bitterly resented by the Nigerian government and the member states of the Organization of African Unity, but would also be totally unsuccessful because of the procedural requirement of support of 63 other members. In view of the O.A.U. resolution, there is not a chance that even a small fraction of that number would agree. And hon. members should not forget that of the 126 United Nations' members, 42 are from the continent of Africa.

There is an alternative to the General Assembly, we are told. A committee. Should we attempt to employ a General Assembly committee for such a discussion, conceding for the moment that we could do so, which is not entirely clear, our efforts would prove not only divisive but totally counter-productive. The soundings to which I have referred and others revealed the following probable consequences of any such attempts: First, hostility and opposition from almost all African states. Canada's long term relations with these countries, which we now find amiable and productive, would be prejudiced for some years to come, both on a bilateral and a multilateral basis. Any doubt in this respect should have been resolved by the O.A.U. vote of 33-4 against intervention. Second, Nigeria would demand that we cease participating in relief assistance to any part of that country. Third, we should be asked to withdraw from the international observer team in Nigeria.

I need only add that in the view of the government, such a policy by Canada would be completely irresponsible and indefensible.

Some hon. Members: Hear, hear.

Mr. Trudeau: However much it might salve the feelings of concerned Canadians, it would be wrong. For these reasons I am reluctant to strain the very real and very meaningful ties of friendship which Canada enjoys with Nigeria and with other African states. I have accordingly assured General Gowon of our continuing support for his government as the government of all Nigeria. I have at the same time informed him of our desire to see an early conclusion of the hostilities in Nigeria on terms permitting Nigerians to live within a federal structure which provides adequate guarantees of personal and economic security to all persons. General Gowon has for his part assured us of his intention to provide such guarantees and has welcomed the understanding and interest of the Canadian people.

What I have said about action through the United Nations applies also to proposals that initiatives be mounted through the Commonwealth. Like the United Nations, the Commonwealth is an association of sovereign states, admittedly bound by special ties of affection but also bound by tradition not to intervene in each other's affairs or to discuss them at Commonwealth meetings. The Commonwealth does offer the unique facility of the good offices function of the secretary-general which I mentioned earlier. Members who are familiar with Mr. Arnold Smith's testimony before the standing committee are aware of the untiring efforts which Mr. Smith has lent to the search for a solution. These efforts have not met with success but they have served to keep open a channel of communications between the disputants.

• (3:30 p.m.)

Recently there have been proposals that Canada attempt to arrange a cease-fire. It is argued that this would not involve making a political or moral judgment on the merits of either side's case, and the advocates see it in terms of "let the fighting cease and peace will prevail". I agree with the theory but the practice is more complicated, as shown by reports of discussions already held by the Nigerian parties about a possible cease-fire. It is clear that this question has been surrounded by political conditions. For example, at one point the rebel proposals for a cease-fire stipulated a withdrawal of federal troops behind the pre-war boundaries, an action which the Nigerians claim would place some five and a half million non-Ibos under Ibo rule without their being able to make a choice. This one example illustrates that in this situation a cease-fire is not a simple proposition to be seen in isolation from the political factors. In present circumstances, any cease-fire inevitably involves a major concession of principle by one side or the other. I am not suggesting that a cease-fire is undesirable or that it is impossible; I am saying that it will be difficult to accomplish.

What I have been attempting to make clear, Mr. Speaker, is the legal, moral and political framework in which the government has viewed this human crisis in a friendly country. It has been clear to me throughout that the concern of the Canadian people in this situation is that their government should act to help relieve human suffering without

interfering in the politics of the situation or being used to advance the political aspirations of one side over the other.

This challenge we have accepted; this concern of the Canadian people we have attempted to meet. I should like nothing more than to be able to stand here today and to announce that the Nigerian civil war has been concluded. It is of little consequence to me whether that conclusion is reached as a result of any special Canadian intervention. It is a solution that I seek, not necessarily a "made in Canada" solution. What is important is that the war cease, that the unnecessary deaths be avoided, and that the record of Canadians and their government be an honourable one. I think that the record to date is honourable and I should like to recount briefly some of the action the government has taken.

The government's concern with the Nigerian situation was engaged long before the Canadian people became aware of the problem and hon. gentlemen opposite began to ask questions. Our ties with Nigeria have been strong, affectionate and mutually advantageous, and because of this we watched with deepening anxiety as the situation deteriorated in 1966 and 1967. When the secession occurred and the fighting broke out we became increasingly concerned that this conflict would tear irreparably the fabric of this fellow Commonwealth country. We told the Lagos government that we believed a peaceful rather than a military settlement should be found. We supported the Commonwealth secretary-general in his efforts to bring about negotiations. Later we supported the initiative of the Organization of African Unity in the same direction. And we have repeatedly urged the Nigerian government, which we continue to recognize as the government of all Nigeria, to seek a peaceful negotiated settlement.

In terms of action the Canadian government has concentrated on humanitarian assistance to those in need. We were involved in this well before the human problem reached its acute and well publicized stage. As early as February of this year, we made representations to the federal Nigerian government urging greater co-operation with the International Red Cross in its mercy flights into rebel held territory. Since then we have spoken frequently with the Nigerian authorities on related subjects and have always been given a cordial hearing and explanation of their position. These explanations have made clear, for example, their longstanding willingness to open land and water corridors for the movement of relief supplies, a willingness which is not shared, I should emphasize, by the rebels.

In May, long before this unfortunate war was the subject of constant questions in the house, the International Committee of the Red Cross asked Canada for urgent financial help in their operations in Nigeria. We responded with a substantial cash grant. In July we allocated half a million dollars in food aid for Nigeria and sent an initial food shipment to Lagos by Hercules aircraft. At that time we decided in principle to provide Hercules aircraft for an airlift under Red Cross auspices if the agreement of the two sides could be obtained.

In August we lent the services of a Canadian expert to the International Red Cross to assist that organization in studying the feasibility of increased and improved airlift operations.

In September another allocation was made of half a million dollars in food aid. The large sea shipment of food sent under these allocations arrived in the area early this month and we have reports of it reaching the forward centres from which the Red Cross distributes it to needy civilians. These are significant contributions being made by the government in the name of the Canadian people, and they have been acknowledged warmly by the Nigerian authorities. But the story does not end there. Further food aid in large amounts will continue to move forward from Canada.

Private Canadian organizations have also made significant contributions, and their work should be praised and encouraged. I would pay special tribute to the efforts of the Canadian Red Cross Society which has been in this situation from the beginning, working patiently and hard to bring aid and comfort to the suffering in all parts of Nigeria affected by the fighting.

[*Translation*]

Mr. Speaker, the most acute problem was that of transportation. The house is well aware of the sincere and sustained efforts the government made in this regard. Generally, attention was concentrated only on air transport into the rebel zone. But in fact, it was a second choice, for using the ground corridors into the eastern area would allow the transportation of far greater quantities of supplies. The situation could be met far better through their use instead of hazardous flights in an air corridor over the jungle, close to aircraft transporting arms. Still, the rebels have constantly opposed the proposals of the Red

Cross and Nigeria with regard to the use of the ground corridors, and although one can understand their military concern, one can certainly question the merits of such priorities. As the food supplies decrease, it becomes obvious that even the most efficient and best organized airlift will not be sufficient. Ground transportation therefore remains the only adequate solution. And this requires the approval of Colonel Ojukwu.

With regard to air transport, let us look first at the fact that the Red Cross asked us for Hercules aircraft, because of their exceptional capacity and other features which made them particularly suitable for that type of work. Now, that request involved the use of Canadian armed forces airplanes and consequently, we had to get beforehand the authorization of the Nigerian authorities. Such authorization was required not only for the flights over rebel territory, since these territories were under Nigerian sovereignty. It was then that Nigeria made it clear that any flights over rebel territory not previously authorized by it would be considered as "acts of hostility". As a friendly and responsible government, we were not going to ignore that warning. Therefore, the Secretary of State for External Affairs (Mr. Sharp) attempted to get from the Nigerian government, permission to fly over the rebel territory. Through painstaking and presevering efforts, such permission was granted on October 8. The sole condition stipulated by the Nigerian authorities was that Canadian airplanes should operate their mission under the auspices of the Red Cross. We were also advised that this permission would not continue if transport operations were made under the auspices of other organizations, such as the churches for instance. Therefore, it was with the authorization of the Nigerian government that our Hercules airplanes went to Lagos last summer.

• (3:40 p.m.)

[*English*]

I should like to pause briefly at this juncture to recall what I said a moment ago about the inviolability of territory and about the principles of international law which support non-intervention. Much as we may argue that in this instance or that such principles may or should be bent, we must remember that we cannot take unto ourselves such a decision. To do so means that we are setting ourselves above the law, as judges in our own cause. Rules of international conduct are not perfect but they are designed to ensure order. Breaking these rules because we think it is right only leads to chaos.

Following the agreement reached between the Secretary of State for External Affairs and the Nigerian Commissioner General for External Affairs, a Canadian Hercules aircraft did operate on the Red Cross night airlift from Fernando Po into the rebel area for some days. During that period it made a most significant contribution to the effort, carrying 20 tons of food each trip. Our experience quickly showed, however, that daylight flights by relief aircraft would be better; more flights could be made more safely, and much greater quantities of food could be delivered to those in need. We could see no reason why the rebel authorities should refuse to allow daylight flights if they were really interested in receiving food for their people in the quantities required.

It was about this time that I decided, in constant consultation with the Secretary of State for External Affairs and based on the continuous stream of information available to the government from its missions in Africa and elsewhere, that it would be appropriate to send to Lagos a personal representative of the Prime Minister of Canada to discuss with the Nigerian head of state the Canadian interest in an early settlement of the war. Accordingly I asked my legislative assistant, Professor Ivan Head, who had previously been in Nigeria, to fly to Lagos and speak on my behalf to General Gowon. This initiative was taken not because we thought that Canada possessed any wisdom not available to the Nigerians nor because we possessed some magic key which could solve the deadlock. I sent Mr. Head with instructions to explore the most effective avenues of Canadian relief assistance. And I sent him to assure General Gowon of our interest in a conclusion of hostilities in Nigeria and the establishment of a federal structure on terms which would guarantee the political and economic security of all minorities in Nigeria.

That initiative was successful. It was during Professor Head's discussion with General Gowon that it emerged that the Nigerians would have no objection to daylight relief flights by the Red Cross. I regard this statement as one of the most meaningful to date in this entire sequence of events, and one which is evidence of the good faith of the federal military government in Lagos.

I therefore issued my appeal on November 4 to the rebel authorities to permit these

relief planes to land by day in their territory. Shortly thereafter we learned that the Nigerians would no longer agree to the continuation of night flights into the rebel area. It was evident that the federal government intended to step up military action against the shipments of arms which were going in at night, evidently in increasing quantities.

As I have reported to the house, my appeal was conveyed to the rebel authorities by the International Committee of the Red Cross, and although many days have passed we have received no clearcut reply. We are seeking every means possible to commence the daylight operation. Hon. members will understand the reason why we cannot accept at face value every statement attributed to some self-claimed rebel spokesmen. These statements have proved again and again to be contradictory. At the same time I stress that we do not reject these statements out of hand. In each case, as with the message conveyed to me yesterday by the hon. member for Greenwood (Mr. Brewin), we attempt through the Red Cross channel to determine the authenticity of the communication. The Red Cross has served in this fashion as a channel of communication for decades, and with great honour. We see no reason to doubt either the integrity or the effectiveness of the Red Cross in these respects.

Some hon. Members: Hear, hear.

Mr. Trudeau: Our aircraft stationed on Fernando Po has not been without work. It has been able to perform several useful assignments for the Red Cross related to their work in the Nigerian area, but if it remains unable to participate in the airlift into the rebel area the responsibility rests squarely with the Ojukwu régime.

We have of course also offered aircraft to fly relief supplies into the federal-held regions of eastern Nigeria. A Hercules flew to Lagos for this purpose in October. Accompanying that aircraft were reconnaissance officers whose task it was to ascertain landing sites. To the distress of all concerned it was learned that the forward airports were incapable of utilization for relief flights by this size of aircraft for prolonged periods without permanent runway damage. The foundation of the runway at Enugu had been weakened by severe and prolonged rains, the heaviest in the history of Nigeria; the runway at Calabar was not well constructed and was in addition damaged as a result of the fighting in that area.

While Mr. Head was in Lagos he therefore discussed with General Gowon and his officials the provision of other, lighter aircraft which could replace the Hercules. The Nigerian government expressed a desire to receive Canadian Caribou aircraft and my government stated it was willing to supply them. However, as I repeated in the house yesterday, the policy of the Canadian government throughout has been to make our relief assistance available, not to the Nigerian government nor to the rebel authorities but to the Red Cross for impartial administration and distribution according to civilian need. We have been informed by the Nigerian Red Cross that that body is not now able to utilize efficiently the Caribou. We have been asked to delay the dispatch of these airplanes, and we have done so.

Before concluding, Mr. Speaker, I should touch on another important aspect of the Nigerian problem. Canadian participation in the international team of observers has been studied at length by the committee and I need not comment in detail. I would like to say, however, that it has seemed most worth while for Canada to participate. We are pleased to continue to participate in the extended work of the team. There was much loose talk at an earlier stage accusing the federal Nigerian government of genocide, and I think that that government acted wisely in inviting observers from a number of countries and organizations to assess the situation independently. The reports of the observer team have refuted these glib charges. For our part, we take this operation very seriously and expect our observers to move about freely, observe and report fully and frankly. They have done so. So has the United Nations observer.

May I pay a personal tribute to the Canadian officers involved, as well as to the officers and crews of the Canadian aircraft involved in our relief contribution, for the spirit and competence with which they have been performing duties which are somewhat out of their regular line. We are proud of them all.

Some hon. Members: Hear, hear.

• (3:50 p.m.)

Mr. Trudeau: With respect to our aircrew, Mr. Speaker, I have great pleasure in informing the house that the I.C.R.C. has communicated to the Canadian Red Cross its praise for the efficiency and conduct of the Canadian Hercules crew presently stationed in Fernando Po. The national commissioner

for the Canadian Red Cross states that this heartwarming message is of particular significance because no similar message had been received by the I.C.R.C. in Switzerland from its officials in Africa with respect to any other aircrew.

There are many facets to the Nigerian problem. Much information has been brought out in the standing committee, and I believe the Canadian people are now better informed about its complexities and better able to understand the position of the Canadian government. I should like to put that position briefly again in conclusion. The government shares the deep concern of the people of this country with the suffering that is going on in Nigeria, and is anxious to help relieve it. It is doing so in a generous and responsible manner. We will continue to afford assistance and to increase it, if that is feasible, in order that human suffering can be alleviated. We will, moreover, continue to encourage in whatever way possible the peaceful settlement of the Nigerian dispute. We measure any suggested action against a single standard: Will it be effective?

Canada intends to remain friendly with all the peoples of Nigeria long after this dispute is settled, and to be in a position where we can play a useful role in assisting the African states to meet their problems. Our policies to this date have been designed to ensure that possibility. All information that reaches us from both parts of Nigeria indicates that we are successful to date.

The torment of the Nigerian peoples must be concluded as soon as possible. At the same time, the future welfare of the Nigerian peoples must be protected and assured. We must not permit our anxiety to achieve the first objective so to foul our reputation and hinder our effectiveness that we will not be given by the parties the opportunity to assist in the long term recovery of Nigeria.

Some hon. Members: Hear, hear.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Where is Biafra? A few of the world's people knew the answer to this question a year ago, and many more do today. Many Canadians know that Biafra is the eastern part of Nigeria in west Africa. We know too that people are frightened in that country. We know that people are hungry there; we know that people are dying there. We have seen the distended bellies of the children and we have seen their eyes. We are told that sovereignty prevents our responding—sovereignty, that

hoary, outmoded nineteenth century concept. How much death and agony has been endured in its name?

Men say we must not feed the hungry unless the giving of the loaves and fishes is cleared with the appropriate government authorities. After all, protocol comes before protein and diplomacy outranks digestion. Are men becoming the captives of concepts? Are humane instincts being thwarted by ancient adages about sovereignty and interference in domestic affairs?

Cox in his book, "The Secular City", writes that there are no mysteries in the world any more. Man knows how to run it, man has the capacity to do the job, and man can control events. I submit that the great tragedy of the Nigerian civil war is that the international community has opted out.

Some hon. Members: Hear, hear.

Mr. Fairweather: Its representatives mouth platitudes as alternatives to action. Is this really to be man's total mission here on earth? Do we continue our catalogue of inaction in so very many areas of the world?

I suppose there was a time in man's long struggle to civilize himself when he did not know how to respond to hunger, to war, to death and the many other forces which beset him. But man does know now. Man's barns are bursting with food, his storehouses are full of medical supplies, his hangars contain many aircraft. Man knows that war is not an acceptable method of solving political problems. Yet he talks, he excuses, he fails to act.

Is it any wonder that many thoughtful people have doubts about the utility of the United Nations in its present structure? Can a world body of 126 countries founded on principles of peace and human dignity expect less than despair when no way can be found to respond to a massive suppression of human rights and human life? I say, shame for the United Nations which operates under a charter that authorizes it to maintain peace but not to intervene in a man-made disaster claiming the lives of thousands of people each week.

In an editorial in the August 24 issue of *Saturday Review* Norman Cousins, that eloquent spokesman for a new and better world, wrote:

> Biafra is a six-letter word spelling world shame. Shame first for the Nigerian government which is trying to starve the Biafrans into submission. Shame for the Biafrans who have been unable to come to agreement with Nigerian officials on the terms for allowing emergency food supplies to get through the blockade—

And to Mr. Cousins' list I add, shame for Canada whose government has fiddled and fooled about an appropriate role and has allowed itself to be hobbled and hamstrung by principles of non-intervention.

To paraphrase Mr. Cousins, the real issue here is not intervention but whether Canada has a double standard. Do we become innovative and are we courageous only when our national interest is involved? Is it not conceivable that the greatest thing we could do for our national interest would be to commit ourselves to a human interest? Canadians want to make a commitment to the people of Nigeria and Biafra, to those who have felt the effects of this evil war.

I do not need to outline in very great detail the ties which have found Canada to Nigeria and to Biafra. The strong relationships based on personal experience in these countries of missionaries, businessmen, educators and students have been a fact of Canadian life for many years. May I add here that the committee had eloquent testimony of this type of contact from a Canadian student, Mr. Keith Bezanson who, I thought, gave one of the most comprehensive pieces of evidence, far superior to those of many people who appeared before the committee and were considerably senior to him. It is this closeness of Canada to Nigeria and Biafra which has caused us to take such a deep and almost personal interest in the war. This interest has been reflected in our periodicals which as early as last March were calling on the Canadian government to take initiatives to end the shipment of arms to Nigeria and Biafra. It was in March too that the external affairs committee of this house first heard testimony outlining the background to the Nigeria-Biafra war.

The enormity of the tragedy weighs on us all, although I do hear in the corridors of this building those who wonder why we spend a day on such an issue. I will leave it to others to comment on this attitude. I fail to see why in a time of international tragedy some response would not be expected from the parliament of a great nation. How many have died as a result of the war and the malnutrition is difficult to say, but we all know that these deaths were largely unnecessary and were the result of a war that could have been stopped or made less serious had the governments of the world taken the appropriate action at the appropriate time.

I am going to undertake today, in a speech that will be longer than most I have made in my time here, a review of the government's response to this international tragedy. We must remember that in the first months following March, when Canadians called on the government to act, the government benches were preoccupied with electing the present Prime Minister to the leadership of his party and were unable to think much about affairs beyond Canada's borders. Shortly after we were all preoccupied with the federal election, and as late as early August the Prime Minister still felt able to feign ignorance in asking reporters "where's Biafra?" Awareness among the ranks of the ministers was slow to become a reality.

• (4:00 p.m.)

In fairness, however, let me say that the government did give grants for Biafran relief. On July 11, $60,000 was granted to the Red Cross. On July 30, $500,000 was granted in goods. On September 19 a further $500,000 was granted. But Canada has no cause to be smug or self-satisfied on account of these gifts. The United States government, quietly and without pressure from the public, had given as of November 8, $12 million, with the United States people donating a further $5 million in voluntary gifts. European governments, with equal discreetness, have been supporting aid to Biafran war victims. Canada has no claim to consider its actions in any way exceptional.

These gifts are in some ways a cause for sadness. What percentage of our goods have reached those in need? How much of our salt cod actually will go into the cooking pots of mothers with protein deficient children? Are our drugs actually being used in the war area? How much of our generosity has been lost in chaos and deteriorated in usefulness because there were no adequate means of transporting this food to the needy? These questions have not been answered and perhaps never can be. Because of the poor follow-up by the government, doubts remain as to how much satisfaction we are entitled to draw from the gifts that the government has made.

I am going to pass now, sir, to the dismal, shameful story of our failure to do the job we were perhaps best fitted to do. From the beginning of summer everyone connected with aid to Biafra recognized that the greatest need was for adequate air transport facilities. From the beginning, too, the Hercules has been recognized as the best plane available. Canada's air transport command has more

than 20 of these aircraft. The fact that Canada could supply the needed planes was obvious. But what was the response of this government? On July 12 the Secretary of State for External Affairs (Mr. Sharp) first mentioned the possibility of Canada supplying Hercules aircraft. However, this suggestion was hedged by the decision to use only the Red Cross as the agency to distribute our relief and direct our planes, and the decision to obtain clearances from every interested jurisdiction before allowing the planes to move. If the churches had ever gone through this panoply of clearances the figures for deaths would have been substantially higher.

This decision was made in spite of the well known fact that church agencies, in terms of performance, were more effective than the Red Cross had been and in spite of the fact that the jurisdictions involved were giving *de facto* permission to fly through by making no moves to stop the flights. I believe, however, in the middle of summer we were warned that unless we were careful we could expect Nigeria to declare war on Canada. I must say that this piece of patent nonsense was not taken seriously by very many responsible people in the nation. The predictable result of this cautious decision was that it was not until October 12, 90 days after the minister's first suggestion, that our first Hercules left Canada for use in Nigeria. It was another 18 days before the first flight actually arrived in Biafra.

This is a bitter record. The Canadian people and the members of this house had been waiting for the Canadian government to act. We welcomed the Prime Minister's tardy but hope-giving message that flights would be taking place. We became angry and, yes, bitter, at the delay of 18 days while our planes remained sitting useless on scattered tropical airports. By November 16, the day one Hercules left Nigeria to return to Canada, our anger was replaced by shame at the inability or unwillingness to take the really bold action which the situation demanded. The Prime Minister's repeated attempts to put all the blame on Biafran shoulders only increased the burden of this shame.

Then, Mr. Speaker, came the government's final exercise in futility. Caribou planes were offered for use in Nigeria. The Red Cross predictably shunted this offer to one side. A simple telephone call to Canadian officials and agencies involved in relief operations would have confirmed the unsuitability of this lighter aircraft. We recognize, sir, that all causes for the failure of the government's reluctant attempts to do noble deeds were not within the control of the treasury benches. But surely the degree to which Canada felt obliged to get permission from those who were giving *de facto* permission for flights was within the government's control. The decision to use only the Red Cross was also within the control of the ministry. The vigour with which our government implemented the policy of contacting the authorities left much to be desired. I cite as an example the minister's declaration in the house on October 22 that the flights were held up pending approval from officials of Equatorial Guinea who, he mirthfully explained, could not be found.

Members of this house and the people of this country have been left with the distinct impression that the government has used official channels and procedures in a way that has not facilitated but rather has hindered the object of getting food to the starving. Abstract concepts have been allowed to get in the way of filling concrete needs. The poignant and bitter sketch of the emaciated Biafran child holding in his hands a bowl filled with what is labelled "red tape" is too real to be funny.

I should like now to draw a contrast between the government's actions and what has been done by private individuals and organizations in this country. The most dramatic actions have been the trips by four members of this house and one member of the legislature of Ontario to the beleagured regions. The first of these trips was 56 days ago. The trips of Canadian newsmen to both Nigeria and Biafra have been of prime importance in giving Canadians hard information rather than propaganda as a base for opinion. Churchmen of all denominations have been at the forefront of Canada's concern for the starving. They have been working actively to raise funds and to channel them in the most effective manner. Many of them have visited Biafra, while others have been moved to go to Nigeria and Biafra to work directly with the relief organizations.

In spite of the Prime Minister's suggestions to the contrary, Canadians have been generous toward Biafra. About $600,000 has been donated already for the relief of those in need. Almost any newspaper in this nation that comes to hand gives details of imaginative schemes, such as walks and so on, organized by young people who are concerned about the need of that country. Canada has been unique in the intensity of its interest in these circumstances. This intensity and the

fact that the interest has been sustained have surprised visitors from other nations which have not experienced the same degree of concern. It is unfortunate that the government has not been able to give adequate expression to what I consider a most refreshing outpouring of concern. Senator Edward Kennedy wrote letters last week to the president and president-elect. He said that decisions of the United States government about the civil war and massive destruction of human life in Nigeria-Biafra must not be lost in the mechanics of political transition and cannot wait for the coming of the new administration. He described the situation as an "awesome tragedy". He went on to say:

• (4:10 p.m.)

I cannot accept the view that the deteriorating situation and extraordinary loss of life in Nigeria-Biafra is primarily an internal or African concern, and must be met within that context, however desirable this objective.

May I interpolate: If this were the case, how convenient it would be for those who pursue this attitude.

The mere fact that arms are pouring into the area from many parts of the world to needlessly prolong violence at the expense of innocent millions, should tax the conscience of all mankind—especially that of our nation, whose traditions and ideals call for a maximum effort in the service of peace and the welfare of humanity.

Senator Kennedy wrote:

The United States has always found a way to make its weight felt in the affairs of others when our political self-interest and national security have been at stake. In the historic tradition of our nation, I would also hope that we can still exert our powerful influence when great human tragedy strikes our fellowman.

And so today, I urgently call upon the leadership of our nation to make every effort to meet the needs of our fellowman in Nigeria-Biafra.

Senator Kennedy made three suggestions. I realize they are in the context of the United States situation, but I think they are worth repeating as part of this debate.

First, I urge that the United States energize its diplomatic initiatives to end immediately the flow of arms to either side—

And how much more effectively Canada could do this because of its special relationship in this regard with the United Kingdom.

—to pursue without delay a cease-fire on the battlefield, and to support earnestly and without prejudice to either side the renewed efforts by the Organization for African Unity to bring the warring parties to the conference table. I do not believe that the international community has lost its sensitivity to the moral imperatives in the pursuit of a newer world. So I am extremely hopeful that if a truly urgent call for peace is made, the world will support it, and the combatant leaders will respond.

Second, I urge that the United States, solely for humanitarian purposes, and in co-operation with the parties to the conflict, substantially escalate its contributions to the relief efforts being made by the International Committee of the Red Cross, UNICEF and the private voluntary agencies, whose dedicated representatives in the field deserve high tribute for a mission undertaken with great personal risk.

It is a harsh reality that the relief agencies do not have at their disposal adequate funds, food, medicine, and delivery capability to meet current needs, let alone those greater needs anticipated by the end of the year. I believe that nothing should be lacking in the commitment of the United States—especially in a positive response to the appeals for help by the religious agencies operating the air bridge into the besieged Biafran heartland with its starving millions.

But I do not believe that the maximum effort that can be made, under existing circumstances, is being made. So I urge that our leaders make a commitment, a massive commitment, to do what must be done, by making available funds, personnel, aircraft, and supplies to relieve a truly desperate situation. The stockpiling of food supplies must be given immediate priority. The United States can well afford to release additional commodities, especially corn, from our surplus. And let us forcefully enlist the help of others in an international humanitarian alliance, to head off what is clearly becoming one of the greatest nightmares of modern times.

Third, I urge President Johnson and President-elect Nixon to jointly agree on the appointment of a special presidential representative to galvanize this nation's acting commitment to do what must be done in Nigeria-Biafra, and to help mobilize the public and private sectors in an international humanitarian alliance in behalf of the starving millions. In the tradition of earlier missions carried out by Herbert Hoover, Herbert Lehman, and others who have served humanity, the special representative must be qualified by a deep compassion for those in dire need.

Senator Kennedy ends by saying:

I fully understand the many difficulties in taking new initiatives to relieve the situation in Nigeria-Biafra—especially those relating to the overriding need for a cease-fire and a negotiated settlement. But I also know that, while intensified measures to feed a starving people can surely save additional lives, only an early end to the conflict will avert the impending disaster of total famine and produce the conditions for a fully effective relief and reconstruction program.

At stake are human lives—innocent lives—African lives—thousands, even millions of lives—whose destruction will burden the conscience of Nigeria-Biafra and all mankind for generations to come, unless something more is done to save them.

Let statesmen act today—because it is right to do so—because it is unconscionable to remain silent—and because the hope of all mankind for a better world will be strengthened.

Canada is not in the midst of a transition. The Prime Minister and the government have

a strong mandate for action. On the one hand, the government with commendable zeal is trying to make participatory democracy work—although I have never understood why democracy needs that adjective. Regional desks are being set up. People are being turned on and tuned in. Citizens are to take part in the decision-making process. But as the engines of participation are heated up the government and the Prime Minister, on the other hand, have cruelly turned off the humane instincts of Canadians. Attempts have been made to equate the feeding of Biafran civilians to feeding the Nazi army at Stalingrad. Is this not a paradox? It is grotesque to pronounce about the just society and renounce those who have suggestions for feeding the hungry and ending the fighting. As James Eayrs wrote: "A just society cannot call it quits at the 12-mile limit." People of good will all over Canada, in fact, all over the world, ask the question: "why can't we help? We want to. We are ready. Why must we wait for politicians to argue, with starving people as the pawn?"

The Canadian government has failed to put any pressure on the British government to stop the supplying of arms and ammunition. I single out the British government but I could add to that the government of France because of our special relations with those countries, and I would also hope we would take an initiative with regards to the U.S.S.R.

We justify our neglect by trotting out excuses about non-intervention. What about non-intervention at Suez in 1956 when, in my opinion, Canada enhanced her reputation in the world and a future prime minister won a Nobel peace prize as a result of massive direct pressure on Britain and France and because of bold and imaginative initiatives at the United Nations? Oil and diplomacy, treasure and pride, have a great deal to do with the attitude of some of the major governments of the world to this tragedy.

Two weeks ago the Prime Minister of Great Britain in a speech at the Guildhall in London spoke of his:

> —determination for human rights, a detestation of discrimination based on race or on colour... Above all, in Rhodesia... But human rights are at stake not only in Rhodesia. They are at stake in Gibraltar—and the issue is not one whit reduced by the fact that we are talking about 23,000 and not four million.

Commenting on Mr. Wilson's speech the *Spectator* of November 15 had this to say:

> Evidently... it is reduced out of existence when we are talking of seven million. At least, if the seven million are Ibos. For in its policy towards Nigeria the British government is engaged as principal accomplice in the biggest suppression of human rights—and of human life—in the non-Communist world today.

This is the *Spectator*—language that some people might find tough.

> Yet human rights mean nothing, it seems, when it comes to Biafra. On the subject of Nigeria, Mr. Wilson in his Guildhall speech simply fell back on the old Commonwealth Office platitudes. "Fewer still are the countries in Africa who will not lay themselves open to division and balkanisation on tribal lines, if we, all of us, fail in securing a solution... based on the integrity of that country."

• (4:20 p.m.)

He speaks of "the integrity of that country". What kind of concept is this when people are dying? It is so old fashioned it makes men groan. The *Spectator* continues:

> For 17 months now Biafra has been fighting desperately to secure its independence—after the so-called experts from the British High Commission in Lagos and the Commonwealth Office had assured the British government that all would be over in 17 days. Yet in spite of this the government apparently goes on believing the nonsense that continues to pour out from these same "experts".

Then the *Spectator* says:

> What must be stopped, they argue, at whatever cost to human life, is "balkanisation".

What about Nigeria? As the *Spectator* says, it is:

> —a country whose "integrity" did not exist until it was invented by Britain in 1914, and whose only unifying force for almost the whole of the subsequent period was British colonial rule. Long before Biafra, the Ibo-dominated eastern region, seceded after the 1966 pogroms in which tens of thousands of Ibos were murdered and many more maimed and mutilated, there had been threats of secession from the Yoruba-dominated west and the Hausa-dominated north. Whatever happens, the long-term prospects of Nigeria remaining one are negligible.

The *Spectator* article then goes on to talk about various federal states and collections of artificially collected countries such as the East African Federation, the commonwealth of the West Indies, Malaysia, and so on. They could not survive the artificially of their concept.

Many of us have been excited by the concept of the global village. But if the concept is valid and not just a catch phrase, some of the elements of village life will have to become part of this larger prospect. In the villages I know the inhabitants give food to those who are hungry. My villagers succour the sick and comfort the dying. I am not

indulging in some romantic, nostalgic backward look at simpler times. I am talking about what happens. Such, too, must be the ethic of the global village.

This war is in man's hands to end. Biafra is a step in the development of an international control system. War indicates a breakdown in the system. But this war is one which is within the capacity of man to respond to and deal with. If arms and ammunition did not enter Nigeria and Biafra war would not be possible. It is as simple as that.

As the world federalists so correctly state in their brief to the government of Canada presented on August 14 this year, we must provide:

(a) World Security

A reliable and competent world of authority must be established which will

(i) provide a minimum and necessary level of security of nations and peoples;

This does not just deal with the concept of nation states but with peoples—with Ibo peoples, with peoples who are being killed because of concepts. The federalists also say that we must:

(ii) preclude the use of national force in the pursuant of political aims; and

(iii) enable all nations to disarm to police force levels required only for internal security.

The Prime Minister once talked about what we should be doing. He might consider what I have just read.

Utopian—do I hear the cry? Do I hear it is unrealistic and unworkable? But I suggest we wait. Had these principles been adopted by the United Nations with rules designed to give effect to justifiable aspirations of self-determination, no arms would have gone to Nigeria and no statistics of death and hunger would have been compiled.

In its report to parliament, Mr. Speaker, the committee made several recommendations. The opposition does not quarrel with many of these but we feel there are some serious omissions. We submit that more can be done. For instance, the dean of the faculty of law at the University of Toronto has made specific suggestions for a Canadian initiative. I pay tribute to Dean MacDonald because a couple of his suggestions are part of an amendment I intend to move. His ideas were passed over by the majority of the committee. Others, among whom are included my leader, have suggested that Canada should seek by direct and explicit appeals to have the United Kingdom, the U.S.S.R. and France stop supplying arms. There have been suggestions about action for a cease-fire from commonwealth prime ministers. Presumably these suggestions have been overlooked. The prime ministers will be meeting in January, but God knows what may happen between now and January.

Mr. Stanfield: God knows what may happen then.

Mr. Fairweather: To these suggestions I add the enlisting of the services of Right Hon. Lester Pearson as a possible mediator between Nigeria and Biafra—that is, if such a suggestion would not interfere with the concept of integrity, sovereignty, etc., etc. and etc. Others from this side of the house presumably will be discussing the adequacy of Canadian efforts to supply food and medicine.

I am about to move an amendment to the committee's report, Mr. Speaker. It was to have been seconded by my seatmate but he has removed himself because of my expansive qualities. Nevertheless, I am delighted to hear that the amendment will be seconded by the hon. member for Greenwood (Mr. Brewin). We have made a great effort in this presentation to, shall we say, defuse what might be called partisan attitudes.

I therefore move, seconded by the hon. member for Greenwood:

That the report of the standing committee on external affairs and national defence be amended by adding the following recommendations as paragraphs 10 and 11 thereof:

"10. The Canadian government, alone or in conjunction with like-minded nations, should take initiatives to persuade nations supplying arms to the combatants in Nigeria-Biafra to stop the flow of arms without which the war would soon no longer be possible.

11. The Canadian government should mobilize support for a resolution in the General Assembly deploring the war, expressing concern for the human rights of the starving civilians in Biafra, and calling on both sides for a cease-fire. Canada should see that the matter of Biafra is raised for consideration in the third committee of the General Assembly. Canada should also invite the third committee to present a draft resolution concerning Biafra to the General Assembly."

I have almost ended. May I read a verse from "Guide to a Disturbed Planet". Conway Power must have been anticipating this tragic war when he wrote:

> We are all bowmen in this place
> The pattern of the birds against the sky
> Our arrows overprint, and then they die.
> But it is also common to our race
> That when the birds fall down we weep.
> Reason's a thing we dimly see in sleep.

External Aid

A year ago in Fredericton, at the campus of the University of New Brunswick, I heard Senator Robert Kennedy say this to the graduates:

> You come from a nation whose Prime Minister holds a Nobel prize for his work in bringing peace to a war-ravaged land; a nation whose work abroad has been a living testament to man's longing for peace; a land whose people have put their energy and their wisdom to the task of a world in which human freedom is enlarged, and peace preserved. Now you must turn to the work of building a newer world—

I suggest, Mr. Speaker, that this government must turn toward this end too. I continue:

> —a world which will be better for the work that you do. And this you must do.

As a final sentence may I tell the house of something that an old philosopher friend of mine, Albert Camus, a dangerous, rebellious, revolutionary Frenchman who won the Nobel prize, wrote not many years ago:

• (4:30 p.m.)

> Perhaps we cannot prevent this world being a world in which children suffer but we can lessen the number of suffering children, and if you do not help us do this, who will do it?

If we cannot believe this, Mr. Speaker, what can we believe?

Some hon. Members: Hear, hear.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I regard this as the most solemn debate in which I have ever taken part in this house. I think back a few weeks ago, and as we debate I cannot but picture the vultures of death swooping overhead in Biafra. I hasten to lend all my support to the amendment moved by the hon. member for Fundy-Royal (Mr. Fairweather) and to his words. I take it as a privilege to be allowed to second his amendment. I am indeed proud to associate myself with his words of condemnation of the fumbling, inadequate response of the government to this greatest of tragedies.

I want to discuss the report of the committee. This report contains certain recommendations which we in this party support. I particularly wish to call attention to the eighth recommendation of the committee which proposes that the Canadian government should continue and intensify its efforts by negotiation through all possible channels, including the Commonwealth, the Organization of African Unity and interested governments, to persuade the contending parties to accept further mediation.

I see that the Prime Minister (Mr. Trudeau) is not here now, but the Secretary of State for External Affairs (Mr. Sharp) is here and I want to make a suggestion which I think he will find is a practical one. I urge upon the government the importance of taking concrete steps through the third committee of the United Nations or outside it, if necessary, to set up an international conciliation team.

Such a team could consist of persons appointed by the heads of state of five nations of which Canada could well be one. I think we should propose that some eminent constitutional lawyer such as Professor Frank R. Scott, formerly dean of the law department of McGill, or Professor Ivan Head, who is on the Prime Minister's own staff, or Professor Ronald MacDonald, Dean of the University of Toronto law school, whose name has already been mentioned during this debate, be called upon to serve—the Prime Minister himself being presumably unavailable. Any of these men, experienced in world affairs and knowledgeable in the field of international law, could be of great assistance to the parties involved; their integrity and impartiality would be beyond question.

Other countries should be represented. I suggest there should be three representatives from African countries: one, perhaps, from Tanzania or Zambia which have recognized the Biafran régime, and two appointed by the Organization of African Unity. This would mean that the majority of the members of this conciliation team would be Africans, as is appropriate. The fifth representative could be appointed by the government of Sweden, and in this connection one thinks of such distinguished names as that of Gunnar Myrdal. I am not proposing that this team should have binding powers, but the governments of Nigeria and Biafra could be asked to give every possible co-operation so that the extensive differences between the parties might be explored and suggestions as to the resolution of the problem made to both sides.

I am well aware that efforts toward conciliation made by Arnold Smith, the Canadian secretary-general of the Commonwealth, and through the Organization of African Unity under the leadership of Emperor Haile Selassie of Ethiopia, have failed to reconcile the parties. Today, however, when it is apparent that there is not to be an early end to the war, there is always the possibility that both parties will be ready to accept conciliation. The alternative is too horrible to contemplate—the death by starvation of literally millions of people, many of them women and

children who have no control over the tragedy which engulfs them.

I put this suggestion forward today in the sincere hope that the government will consider it. It does, I think, fit within the terms of the report made by the committee on external affairs, and if adopted and carried out successfully it could bring a very high and deserved measure of credit to those who have put forward the suggestion.

As most hon. members probably know, the members of my party who were on the committee, namely, our acting leader, the hon. member for York South (Mr. Lewis), the hon. member for Vancouver East (Mr. Winch) and myself, prepared and issued what would have been a minority report had the rules permitted it. In this document, issued at the time the committee made its report, we said that although we agreed with much of what was contained in the report we nevertheless found it inadequate in the following particulars:

1. It failed to call for Canadian action through the third committee of the United Nations, founded on concern for human rights, for an immediate cease-fire between Nigeria and Biafra.

2. It failed to call on Canada to use its influence, both diplomatically and through the United Nations, to put an end to the supplying of arms to the combatants on either side of the conflict.

3. It failed to propose action by the Commonwealth of Nations by which the Prime Minister of Canada might seek to convene a meeting of the Commonwealth, with a view to discussing and taking action to bring about a cease-fire and the cessation of the supplying of armaments to either side.

4. It failed to recommend with sufficient clarity and particularity the concrete action which could be taken forthwith by Canada to increase the effect of the airlifts into Biafra.

5. It underemphasized the handicaps and difficulties which have rendered the task of the observers virtually futile, and overemphasized the value of the observers' reports under present circumstances.

6. In discussing the issue of genocide it failed to emphasize the disastrous implications of the further continuation of the war.

I do not intend to review all these matters today. I would prefer to deal with two particular aspects which in my view are of overwhelming importance. First, let no one be deceived about the magnitude of the tragedy which is hanging over the heads of the people of Biafra. It has recently been estimated that more than one million have already died of starvation. That was up to the end of October. The New York *Times* reported just the other day that Dr. Herman Middlekoop, the Dutch relief expert in charge of the relief work of the World Council of Churches, sent the following figures to Secretary General U Thant:

• (4:40 p.m.)

Estimated deaths from starvation in month of July 6,000 per day, August 10,000 per day, September 12,000 per day. Present situation holds or decreasing slightly with present level of relief flights.

There are one million persons in refugee camps and they are receiving some food, but there are a further three million persons without relief in the bush. Carbohydrate reserves from last winter's crops will be exhausted in seven weeks, leaving Biafra completely without food. Acute mass starvation is then expected. This is not my opinion. This is from a report released by the Catholic relief services executive director.

What can we in Canada do about this disaster? I should like to discuss this matter under two heads. The first, and by far the most important, is that every possible effort should be made to bring the war to an end. However much the relief effort is kept up it cannot be adequate to meet the crisis. In our view the Canadian government should propose an immediate cease-fire, and this proposal in our view should be linked with a request for an immediate end to the supplying of arms to combatants on either side. This could be followed by massive governmental relief operations in the areas occupied by federal and Biafran forces.

The Canadian government is hesitant about taking action. All sorts of reasons have been given when the Prime Minister has been asked why Canada could not take this action. Such action has been described by the Prime Minister and others as intervention in the domestic affairs of Nigeria. To my mind this is a totally mistaken view. It might be that we would not get immediate or universal support if we took action through the United Nations, but if Canada gave a lead we believe the peoples of the world would require their governments to support that lead. There is already much more support throughout the world than the Prime Minister and his government are willing to admit.

The members of the committee were furnished with a memorandum on international law by Dean Ronald MacDonald. As has

already been stated by the hon. member for Fundy-Royal (Mr. Fairweather), Dean MacDonald is the dean of the law school of the University of Toronto and represented Canada at the Third Committee of the United Nations. This memorandum sets out the legal background for saying that international law has developed so as to recognize the right of international intervention in cases where human rights are being violated or threatened with violation. The Prime Minister himself mentioned that the resolutions passed by the General Assembly relating to the practice of apartheid in South Africa are an illustration. Perhaps international action in the case of apartheid is futile; perhaps not much can be done about it. But this is not to say that there is no legal right to intervene. It cannot be denied that the most fundamental of human rights is the right to live, and yet this right is being taken away from hundreds of thousands of people.

The Prime Minister has stated in the house that there is no right of intervention. Maybe it is not the wise thing to do, but let him not shelter himself behind a false interpretation of the developing rules of international law, because I tell him the law is quite different. Another eminent constitutional lawyer, Dr. Edward McWhinney, said the same thing, as did Dr. John Humphrey, a distinguished Canadian who for many years served the United Nations in the field of human rights. Surely countries which have accepted without protest the arming of the combatants by various European countries cannot seriously suggest that intervention by an international body to bring about a cease-fire is an intervention which can be likened to the other dangerous form of intervention. One is international intervention and the other is national intervention. One is to bring about the end of war and the other is to fan the flames of war and enable its continuance. I find the talk about intervention nauseating. What we are calling for is international intervention for the sake of humanity and in the interest of human rights.

Some hon. Members: Hear, hear.

Mr. Brewin: I am sorry the Prime Minister is not here now because I should like to say that I do not think he could have been serious when he compared this proposed intervention, by way of a resolution in the third committee calling for a cease-fire, to the massive armed intervention of nearly half a million troops by the United States in Viet Nam and the extensive bombing of that unhappy country. The Prime Minister has indulged in some very extraordinary analogies, and this is one of the strangest of all. When he intervened in the debate I hoped he would take the opportunity to say that he was not serious when he spoke in this way, any more than he was when he compared the starving Biafrans to the Nazi invasion at Stalingrad. Surely this was one of the most shameful examples of—

Mr. Gibson: Mr. Speaker, I should like to rise on a question of privilege. The hon. member suggested that the Prime Minister was not serious. I am wondering whether that is a question of privilege.

Mr. Deputy Speaker: It is a matter of debate.

Mr. Brewin: In one form or another we believe that the fatal error in this matter, which has dictated the attitude of the government of Great Britain, the government of Canada and the government of the United States so far, has been what can be called the quick kill theory. The war was to last two days, two weeks and then two months. When the hon. member for Egmont (Mr. MacDonald) and myself were in Biafra nearly six weeks ago we were told, to our discomfort I might say, that the war might be over in a day or two, that the final push might come then. We were a little afraid it might come when we were there, but today, six weeks later, there is no sign of this final push being any nearer. In fact, if there has been any military development in the past few weeks it has been in the direction of a military stalemate. I could present direct evidence to bear this out, but anyone who has been near that country knows that the Biafrans are determined to carry out continued resistance and they are well fitted to do so. They have keen determination, based upon a well-founded fear of extermination. The dense forest makes it a natural area for guerilla warfare. Indeed, when we propose a cease-fire we are not doing it just for the sake of the Biafrans but also for the Nigerians. I would hate to think of the unfortunate Nigerians being involved in a military occupation of the area because it would be a sad and bloody spectacle continuing probably for years.

If this quick kill theory is rejected, and we believe it should be, then the international world in the interest of humanity must seek a different solution. A cease-fire through international action and further negotiations is the only alternative. In this whole issue there is

more at stake than the fate of the Biafrans and the Nigerians. What is at stake is the whole idea of international order. I ask the house, what will future generations say about us if the world community sits idly by while a gifted people of some ten million are exterminated? I am not accusing the government of Nigeria of genocide; I am merely saying that the continuation of the war will be one of the gravest human tragedies since the Nazis destroyed some six million Jews. How can the conscience of the world remain dormant and let this thing happen?

I am most encouraged since my trip to Biafra, as I believe the hon. member for Fundy-Royal is, to find that the people of this country, particularly the younger people, take a different view from that of the government. They are far ahead of the government on this issue and the government should listen a little more to the sound judgment of our people, particularly the young people. The young people wish to build a new world order based upon fundamental human rights. They have no sympathy with the legalisms and the efforts at evasion which the governments of the world have displayed in this matter. I, for one, say that the young people are dead right.

I should like to turn now to the question of relief. We are indeed grateful that the government has done something about this. It has not only contributed money but has also contributed a Hercules plane. But in all candour it is impossible not to say that the effort has been far less effective than it should have been. When I put it that way I believe it is the greatest understatement I have made for some time.

• (4:50 p.m.)

When the hon. member for Egmont (Mr. MacDonald) and I returned from watching the airlift operation into Uli, we made certain proposals to the government at the request of the Canadian, Mr. Axel Duch, who is in charge of the churches, relief operation at Sao Tomé. I want to say something about that effort. It is truly remarkable. We have heard a great deal from the government side about the International Red Cross, and I give great credit to it for the work it has done. But by the middle of October it had flown roughly 3,500 tons of relief supplies from Fernando Po and the churches, relief services, which are carried on by the Roman Catholic and Protestant churches, had flown in some 4,300 tons. It is quite significant that just the other day when the churches' plane was shot down the church operation did not stop, but the Red Cross discontinued its operations with the Canadian Hercules.

Although there are 735 feeding stations in Biafra daily feeding 560,000 people, mainly children and nursing mothers in order that they may survive, this is nothing like enough. What Mr. Duch made abundantly clear to us was that the bottleneck lay in transporting supplies into Biafra. The difficulty is that the planes which fly in nightly to the airstrip at Uli have a capacity of only 10 tons, whereas the Hercules has a capacity of 20 tons and is better fitted for landing purposes and better fitted for loading and unloading supplies.

When we came back we urged the government, at the request of Mr. Duch, to make available Canadian Hercules aircraft to the church operation. If the government had some international nicety which may have prevented them from acting directly they could have done this indirectly in the same way as the Swedish government, by lending planes to the church operation. It is not as though the Roman Catholic and Protestant churches are disreputable outfits. They represent part of the conscience of humanity. It was suggested by the Prime Minister that this would constitute an act of war. I find this farfetched. Is Sweden at war with Nigeria? How ridiculous!

If, as it professes, the Nigerian government is deeply concerned about the welfare of the Biafrans whom it is fighting to retain within the Nigerian state, it should not object to non-political mercy flights. Indeed, it has approved of daylight flights. But it seeks from time to time to put these on its own terms, terms so readily accepted by the government of Canada, which have resulted in the frustration of relief efforts. As long as these terms are reasonable we cannot object but on occasions they have not been reasonable. It has denied its consent to flights by the churches, and the Canadian government has admittedly accepted its denial of consent.

Let me reassert, for the benefit of the Secretary of State for External Affairs if he still doubts me, that I happened to be able to arrange to obtain a recording of what was said by Dr. Arikpo. Dr. Arikpo, the foreign minister for Nigeria, did make it perfectly clear that his government would consent to the Canadian government making Hercules aircraft available to the church operation at Sao Tomé if there could be an inspection by the Red Cross to see that they did not take in arms. Instead of taking advantage of this the Canadian government, typically I suggest,

insisted on going back to the Nigerian government and giving it the opportunity which it quickly took to renege on this promise which was clearly made, and the result has been to stultify the whole effort.

I understand that three Hercules were flown into the area. One was stationed at Lagos and it was withdrawn on the silly pretense that it was impossible to land anywhere in federally occupied areas. This is nonsense and is just not factual. Calabar has one of the three internationally recognized airports in the whole of Nigeria, and it is within the federally occupied area of Biafra. It is nonsense to say that you can land a Hercules on what is virtually an enlarged paved highway at Uli, which is where the churches are flying in, but you cannot fly them into an internationally approved airport. This is perfectly ridiculous and another example of the willingness of this government to accept any sort of excuse for not doing very much about this situation.

It is the government's attitude I am complaining about in this matter. The Hercules is supposed to be designed so as to be able to land almost anywhere, even in open fields if need be. I suggest that the attitude of the federal government that we cannot land anywhere in the territory Nigeria occupies with planes that are best suited for this job speaks much louder than words about their feelings toward the starving people within the territory Nigeria controls. I wonder whose is really the voice of Nigeria, the soft spoken General Gowon who speaks gently to our Prime Minister, or his representative, or the Black Scorpion who speaks with a more savage tone. The latter has made it perfectly clear that in the areas he controls, and he does control substantial areas, no food will be given to any Ibo until they surrender.

The government has been strangely hesitant about getting the operation from Fernando Po going effectively. The Prime Minister made a statement in the house several weeks ago in which he said the government of Nigeria had agreed to daylight flights. The other day I asked him whether the flights had not been restarted and he said there had been no word from the Biafran authorities. He said in his usual flippant way that he knew that Colonel Ojukwu could read *Hansard,* as though the head of state in a war had nothing to do but read *Hansard.*

The government took the position, as I understand it, that it could not communicate officially with Biafra. Surely this is a question of where there is a will there is a way. The government is well aware that the Biafran government maintains an office with an accredited representative in New York near the United Nations, as well as one in London. Surely if it could not communicate directly it could communicate indirectly through one of the Commonwealth countries, for example Tanzania or Zambia, which have recognized Biafra and are ready to talk to the Biafrans. The United States does not recognize the people's Republic of China but that does not stop it from undertaking to talk with that republic about matters which affect the two countries, through informal discussions at Warsaw. Cannot the Canadian government in the interest of saving lives do something about improving its means of communication with Biafra?

Just yesterday, Mr. Justice Onyuiki, leader of the Biafran delegation to America and a justice of the Biafran court of appeal, issued a statement which, as I read it, made it perfectly clear that the Biafran government would consent to daylight flights of Canadian Hercules aircraft. The statement said there would be no difficulty in getting permission for these Hercules aircraft to fly into the Uli airstrip provided that those unloading the food and drugs would not be fired upon and also that the Canadian government and the crews were satisfied with the verbal guarantees of safety.

The Prime Minister, typically, I suggest, rather than allowing this statement to speak for itself petulantly read into it that the Biafran government was turning down the condition that the Hercules daylight operations would not fly in arms. Of course, the Biafran government for its own part is perfectly willing to give such a guarantee. The Canadian government itself surely trusts the Red Cross not to fly in arms. One would think that the guarantee of the Red Cross would be more important than any words from the Biafran authorities. After all, it is the Red Cross which is the shipper and the carrier of what is in these planes. Why is there this insistence on a condition of this sort? Why is there this inability to get in touch with the Biafran government? With the little contact I have I can get in touch within 12 hours to find out what the position is, yet this apparently takes the government weeks. The Biafran authorities are perfectly willing to accept these terms. The Prime Minister could have found this out very quickly and the air flights could have been restored. The attitude of the government does not seem to be one of anxiety to

get flights into Biafra but rather one of hesitation and readiness to accept obstacles.

• (5:00 p.m.)

I was asked at a meeting the other day, when I discussed this matter, what was the basic difference in the proposals I was making about relief supplies and what the government was doing. I put the answer very bluntly. I said the difference would be the saving of literally hundreds of thousands of lives. When the hon. member for Egmont and I came back six weeks or more ago and spoke to the government, if the government had lent the four planes to the Red Cross as requested by Major General Wrinch, the Canadian commissioner for the International Red Cross, and if four more planes had been lent to the church operations and the operations had been continued, the result would have been on each day an additional delivery of 240 tons of food and medical supplies. Present deliveries are saving half a million lives. If the deliveries were doubled or trebled, twice as many lives or more would be saved.

I think it is only fair to say that the action of the government has been dictated by its view that the consent of the Nigerian authorities is necessary. This fundamental difference of opinion has resulted in the delays and inadequacies of the Canadian effort to help. It seems to me that the interests of humanity override other considerations and there are ways in which to get around obstacles. When the President of the United States was bound by a lot of neutrality laws in the last world war, he found means to overcome those difficulties by means of lend-lease and other devices. We are asking for an opportunity to feed starving people in the country of a government which claims to be the government of the area in question.

I started my speech by saying that I hoped to make a constructive and reasonable suggestion in respect of a conciliation team with Canada as a member and a distinguished constitutional lawyer as its representative. This could be done through the United Nations or, if that is not possible, outside the United Nations. I urge the government to keep an open mind on this whole matter and be prepared to review its policies in the light of facts as they are revealed. The government should in its inner conscience recognize its present policy as being based upon the British government's theory of the quick kill as the way to end the dispute, and on not encouraging this "rebel" régime. The Prime Minister never speaks on this subject without underlining the word "rebel". It seems to me that after 18 months of fighting for self-determination one could find a different word than "rebel". In any event I urge the government to consider proposals for international action by a team of conciliators. If the United Nations will not take charge of the matter, the team of conciliators could be approved by both sides to the conflict.

Second, we urge the Canadian government to use all its powers of persuasion to get the British, U.S.S.R. and any other governments concerned to stop the export of arms. I suppose, in all fairness, this is a delicate matter. I do not know what the Canadian government has said to its British colleagues. When I made this suggestion one day the Prime Minister, flippantly I think, as is sometimes his wont, asked why we did not make the representations because we had some political sympathies with the party headed by the Prime Minister of Great Britain. I say it is a very different thing for an individual member of parliament to make representations than for a person who has the right to speak for Canada. I do not know what has been said to other governments in this respect. My view is that a solution of this problem will only come about when the British, Russians and others stop pouring arms into this territory.

I plead with the government to get nasty or tough, if necessary, about it. This is a tough proposition. If the government thinks what is being done is wrong, they should say something about it. I do not believe this is any time for quiet diplomacy if that quiet diplomacy does not work. I am in favour of trying quiet diplomacy but if it does not work something more is required.

Third, we urge the government to reopen with the Nigerian government the question of relief supplies being transported by Hercules aircraft into the area occupied by that government. It would be ridiculous, if it were not so tragic, to talk about Caribou aircraft taking the place of the Hercules. The Caribou carries two tons and the Hercules carries 20 tons. This is a palpably ridiculous excuse. Just what principle is involved as between Caribou and Hercules aircraft is difficult to understand. One is effective and the other is not. The Nigerian government will apparently accept one but not the other. I do not understand the principle involved in this question. The Canadian government should be firm with the Nigerian government on this point. It should point out that the validity of the

protestations of the Nigerian government, when the question involved is helping the Biafran people in their own country, is not to be taken very seriously.

I again ask the Canadian government to consider stepping up the supply of Hercules aircraft to the Red Cross operation at Fernando Po. If one Hercules can do a good job, cannot two, three or four aircraft do a better job? Surely we are not going to be deterred by an objection which apparently may have been made by Equatorial Guinea to our doing this. Surely in the interests of humanity we could supply two, three or four aircraft and do a much better job than we are doing.

Finally, the government should find a way to provide Hercules aircraft for the Sao Tomé operation. It could, of course, exact any conditions it liked as to inspection to make sure that these flights would not be used to take in arms. Literally thousands of lives would be saved if the government adopted this policy. I know it is not easy for governments to change their minds, and I think I appreciate why the government's initial impulse has been to seek at all costs the maintenance of friendly relations with the federal government of Nigeria. But federalism and even friendliness with federal governments, important though they are, are not sacrosanct. The federal structure of Nigeria has been seriously damaged by this bitter war and what preceded it. No considerations should stifle the cry of humanity for the ending of the war and the feeding of the starving people of this war-torn country.

I urge the government to be bold, to innovate, to speak for humanity. In an open letter to the Prime Minister, signed by many distinguished Canadians, reference was made to a statement of the late secretary general of the United Nations, Dag Hammarskjold, who said:

> It is when we play it safe that we create a world of the utmost insecurity.

I say to this government and the Prime Minister, stop playing it safe in Nigeria, because by so doing you are creating a world of the utmost insecurity.

• (5:10 p.m.)

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, we are discussing today a matter that is very important for Nigeria and the peoples of Nigeria because of the possible consequences of the action or inaction of the Canadian government with regard to a settlement of the terrible conflict now taking place in what is one of the most promising countries of the African continent since its decolonization.

We are considering today the report presented by the committee on external affairs and national defence. According to a motion passed by the house last October 7, the committee, and I quote, was to:

> Hear evidence on (1) the report of the official observer group on which Canada has a member, of the conduct of federal troops in the prosecution of the war in Nigeria; (2) the reported famine conditions in that country, and to invite Andrew Brewin, M.P. (Greenwood) and David MacDonald, M.P. (Egmont) to report their observation on the conditions of the civilian population of Nigeria.

Being myself a member of that committee, I participated with great interest in its proceedings and I agree that it is not easy to propose a solution, because it is always delicate to interfere in the affairs of another state. We will have to be careful because the action we take must not have consequences worse than those we want to correct.

We know that hundreds of thousands of people have lost their lives and that many others will die if that civil war is not ended soon. We know that thousands and thousands of other persons have been and will be wounded if that war does not end.

All wars are cruel, and that one more so perhaps, because of the physical and moral suffering that the civilian population must endure when, for the most part, it does not understand the reason of that war. One might wonder if the people who lived within the present borders of Nigeria were sufficiently prepared for independence in 1960.

The colonizing powers must assume part of the blame because they neglected to create a core of qualified people to govern the country wisely. Since Nigeria gained her independence—and that is the case also of several other African countries—it has been obvious that wisdom was not the main quality of the Nigerian and Biafran leaders entrusted with the administration of the country.

It is difficult, Mr. Speaker, to determine the exact usefulness of the study carried out by this committee, as it deals with two main points, that is the urgency to determine and alleviate the suffering and sickness due to malnutrition, and whether the war constitutes an act of genocide.

I will point out that the Canadian government did not wait for the report of the committee to send well-equipped Hercules aircraft to bring assistance and prevent thousands of innocent people from suffering and

dying of starvation or sickness. The experience was not successful, but as I said, some leaders were not overly wise and did not co-operate as much as they should have. Since when, Mr. Speaker, must we plead with those we want to help to accept our assistance and our alms? There again, it is the humble folk, the peasantry who must suffer for the pride and the ambition of their leaders.

In my opinion, Canada has made a commendable effort, by no means daring, to bring relief to the sick and starving people who are dying by the thousands.

At this stage, I should like to pay tribute to those who have risked their lives several times carrying food and drugs in aircrafts under difficult and sometimes impossible conditions. I am referring to the crews in the service of *Caritas Internationalis* who have risked their lives several times to save other lives and relieve hardship, where the fighting was taking place, and I should like to quote a few excerpts from the report of Rev. Father Anthony Byrne of *Caritas* about the risks which the crews working with the Red Cross or *Caritas* had to take. Three of their members died carrying a Red Cross shipment when their plane crashed. Father Byrne himself ran similar risks; he tells us that on July 7 last and I quote from his report:

I take off with a load for Biafra; 15 minutes before landing the cannons of Nigeria use us as target. But they miss the bull's-eye by a long shot, and we continue our trip peacefully. There was much happiness in Biafra when it was learned that a load of fish had just arrived. It was the first shipment of fish since the beginning of the war.

Other trips were made in the meantime, but on the 14th of July, another very difficult trip was made.

A load of salt, fish and medical supplies was sent by a Superconstellation. Heavy fire greeted Commander Malcolm as he flew over Biafra. The commander is an experienced pilot and it was only thanks to his ability that the plane did not crash to the ground. The crew was convinced that the radar guiding the marine and ground firing was manoeuvered by Europeans. The plane about-turned and when it landed the members of the crew handed in their resignation.

Mr. Speaker, I feel one could have done it with less provocation. July 20, and I continue:

Arriving at Lisbon, I am confronted by a new problem: Nigeria now uses radar to direct the firing of the marine and ground batteries. They fire on our planes with great precision. A plane, flying at high altitude, was almost shot down. The pilots agree that Europeans are directing the firing.

Father Byrne also tells of another difficult trip; on July 31:

An important supply of blankets and 9 tons of dry beans were shipped by a Superconstellation. The plane got caught in heavy barrage fire but commander Raab, with his usual ability and courage, managed to escape.

And that goes on almost every day, and he speaks of the trip, on August 5:

Attempt to fly to Biafra. Commander Sheriffs and his crew managed to make it. They ran into curtain fire extremely well guided by Nigerian radars. One wing of the DC7 came within an inch of being struck, Commander Sheriffs and his men returned to Sao Tomé with frayed nerves. As he landed, the mechanic immediately gave his resignation. The other members of the crew refused to leave again until such time as another air route had been picked out.

The following is an account of the trip on August 9:

The planes are again flying through heavy artillery fire and a warning is issued by the commanders of both aircraft that under such conditions they refuse to take off for Biafra.

Finally, on August 21:

The plane's aircrew—

—from Transair (Sweden)—

—used to fly at a very low altitude of about 100 metres to avoid radar and anti-aircraft fire. On that night, unfortunately, the Nigerians had assembled troops equipped with anti-aircraft guns and machine-guns close to the border. The commanding officer had to use all his ability to avoid shells. His aircraft was hit twice and bursts of gun-fire tore holes through the wings. In spite of the danger, the pilot was able to fly through the exploding shells. On the way back, he had to face the same problems but he was not hit. Once in Sao Tomé, while mechanics were repairing the bullet holes in the wings, the commanding officer and his crew had something to eat. One hour later, they were taking off again at the risk of their own lives so that the starving people of Biafra might receive some assistance.

• (5:20 p.m.)

Mr. Speaker, it must be admitted that a great deal of courage is necessary in such danger and Rev. Father Byrne, commanding officers Raab, Malcolm, Sheriff and others deserve to be remembered. They should be rewarded for their outstanding bravery.

Had it not been for financial and political interests at the outset, all this suffering, all those deaths and risks would have been avoided. British oil interests did not hesitate in influencing their government which, through the supply of modern armaments supported the federal army, thereby preventing 10 million people from deciding their own fate, while they obviously wanted to do so.

Incidentally, this is not the first time that England refuses a people the right to self-determination.

Mr. Arnold Smith, secretary general of the commonwealth, said very clearly to the committee, in answer to a question by the hon. member for Vancouver East (Mr. Winch), that:

> The economic advantages to be derived from seizing the fabulous oil fields discovered recently play a very great part in domestic conflicts and, externally, in the interests of the various governments. They constitute important factors. I would not say that these are dominant factors, for I do not believe in the predominance of external factors. But they are very important.

Further on, he adds:

> In my opinion, however, as far as conditions are concerned, the advantages represented by these oil fields greatly influence negotiations.

Later, Mr. William McNeill, of the Canadian University Overseas Service, voiced the following opinion:

> As I understood it, the oil industry was, to a great extent, controlled by British Petroleum and by Shell, most of whose shares were owned by the British government.

I have here the evidence of Mr. André de Bloney, secretary general of the Interparliamentary Union, who wrote, in his report to the 56th conference in Lima:

> However, although he could on several occasions have given up his stand and rallied the federation, the Biafran leader did not give in. At the beginning of July 1967, General Gowon took a decision of great importance, that of reducing dissidence by force, by provisionally detaching from Nigeria the oil-rich part of the territory.
>
> Were foreign interests thus led to influence the course of events? Naturally, that is impossible to know, but the right to oil dues was to be an added cause of conflict between the two parties and the concessionary companies.

A little further on, Mr. De Bloney adds:

> In order to carry on a fight which continued, both sides had to seek from the outside the arms they needed. The Lagos government looked to Great Britain first and the shipments authorized in its favour due to their size, prompted some criticisms in the British capital. As far as the U.S.S.R. is concerned, it also granted its support to the federal government.
>
> As to Biafra, it tried to get some money for its oil resources in order to obtain not only military equipment but also the assistance of mercenaries who might lend a helping hand in a fight which, month after month, became more and more difficult.

At the same interparliamentary conference in Lima, a Swiss representative (Mr. Renschler) stated:

> Economic and political interests are behind that mortal aid. Without the military help of Great Britain, the Soviet Union and a few other countries, the Lagos military government would never have been able to wage a war against the Ibos.
>
> As far as Biafra is concerned, things are hardly better. France and Portugal support secession, also for selfish motives. By supporting Biafra, they hope to get some interests in the oil resources of the Delta of the Niger. It is urgent that no arms be sent to either side; the protection of economic and political interests, through the supplying of arms, is a form of neo-colonialism.

This confirms the general idea that if foreign countries had not interfered and encouraged slaughter by shipping them weapons, this massacre would not go down in history.

What are the causes of the war? The Ibos—and not the rebels as the right hon. Prime Minister and several members call them—have been mistreated and butchered. It was reported that Nigerians threatened to throw the Ibos into the sea, to crush them, to keep them in their own place and never let them reconquer again the economic and political suppremacy they had acquired through their work and skill. Not feeling accepted any longer in the federation and unwilling to remain slaves, these people decided to recover their security and to ensure their economic development through other channels, since they believe they can do it on their own, owing to their skill, intelligence and desire to progress and develop.

And now, Mr. Speaker, not only do the other Nigerian peoples, but also the foreigners, disallow them this right, thus practising a new form of neo-colonialism.

At the United Nations, at the commonwealth meetings or at the Interparliamentary Union conferences, resolutions are passed, basic principles recognizing the right of the peoples to self-government are agreed upon, but when it comes to applying such resolutions and principles, things are different and everyone gives a different interpretation, according to his own interests, and Canada is no exception.

On the border of Rhodesia and Southwest Africa are located the Portuguese territories of Angola and Mozambique. Portugal suggests that these are not colonies but provinces across the sea. This proposition is rejected by the majority of world states, including Canada, who feel that the inhabitants of these territories should be free to decide their own future. But what goes for Angola and Mozambique no longer goes for the Ibos.

Canada should follow a more coherent policy in its stands in the field of external affairs. What proposal should Canada make

and what action should it take so that both parties in this conflict may come to a fair solution? That is what the committee should have told the government.

As regards aid, concerning food and medicine, we have seen, that the government did not wait for the committee's report, which was wise. Pressures from all sides, not only from political circles but also and chiefly from social and religious quarters, that were exerted upon the government indicated a desire on the part of the Canadian people to do something to relieve the suffering.

[*English*]

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

The Acting Speaker (Mr. Béchard): The hon. member for Provencher on a point of order.

Mr. Smerchanski: Mr. Speaker, are speeches not to be limited to 20 minutes?

The Acting Speaker (Mr. Béchard): I do not believe that the time of the hon. member has expired yet. I am advised that there has been no order recognized by the Chair limiting speeches to 20 minutes.

• (5:30 p.m.)

[*Translation*]

Mr. Laprise: I thank you, Mr. Speaker.

I was just saying that representations were made to the government, indicating a desire on the part of the Canadian people to do something in order to relieve these sufferings. I will not submit any opinion as to whether or not our aid was sufficient, but I say that we started too late.

As a matter of fact, the report includes the following statement:

The Committee recommends that, in order to avoid this problem in the future, the Canadian government take an initiative in developing international machinery to meet this need—

—such as the one facing us.

Mr. Speaker, I objected to that recommendation of the committee, since international agencies have already worked to this end since the outset of the Biafran crisis, as they have indeed in any other part of the world. I wish to refer particularly to the International Red Cross, Caritas Internationalis, the World Council of Churches and other agencies. I believe those international agencies are the most suitable and the most willing to dispense necessary services in conditions such as those.

So, Mr. Speaker, I do not believe in the need to create a new international agency that would perhaps be more political and might generate difficulties rather than solve the problem. As regards this second recommendation, I would rather suggest that the Canadian government, like any other world government, make available to those agencies the necessary funds or materials to enable them to relieve distress where it is and in whatever form it may occur.

We received this week an urgent appeal from the Red Cross, asking for supplementary funds to keep on relieving misery during the last few weeks of the current year and the beginning of the new one.

We know, Mr. Speaker, from the evidence given to the committee, that even if the war ended today, it would still be necessary to help the starving and the sick and to rebuild what has been destroyed in that country. It means that still more funds will have to be made available to the organizations ready to help that country get back on its feet.

The committee also recommended to take Biafran children elsewhere, even to Canada. That is what the Prime Minister suggested also. Such a recommendation would be acceptable as long as the immigration of the children were directed to African countries where the customs are practically the same as where they were born. On the other hand, bringing young Biafrans to Canada where the climate and the way of life are so different would probably not give good results. Besides, that idea was criticized very strongly by the president of the Canadian Welfare Council, Mr. Baetz, as well as by Father Roger Tessier, of the White Fathers who do missionary work in Africa.

In a statement dated November 15, the Canadian Welfare Council said, and I quote:

Well-meaning Canadians who wish to adopt Biafran children, members of parliament of various political parties who support those projects have not pondered all the implications of such decisions, according to Mr. Reuben C. Baetz, general director of the Canadian Welfare Council.

"Any such project would likely come to nothing and would only divert Canadian vital resources meant for local action," said Mr. Baetz.

"Moreover, I am opposed to these projects of Biafran adoption under the policy statement made by the Canadian Welfare Council on inter-countries adoptions and after having discussed this particular question with the main children aid agencies operating in Canada and abroad."

"There are a number of reasons which compel us to take this point of view," Mr. Baetz said, "and transportation to Canada and the immigration regulations are the least important."

Moreover, Father Tessier in a recent statement, said this:

As human lives are at stake, our emotions could bring us to act immediately and assist those children, and many Canadians have offered to adopt them. This prompted the statements of the Prime Minister, Mr. Pierre-Elliott Trudeau, in the house on November 8. First, he mentioned that the initiatives for adoption in Canada of Biafran children must come from families, private institutions or provincial governments, as adoption comes under provincial jurisdiction.

As for the federal government, added Mr. Trudeau, it was ready to provide for the transportation to Canada of all the adopted children and, furthermore, to relax immigration regulations in the case of Biafran refugees... As for me, goes on Father Tessier, I can but agree with Mr. Roger Elophe, who is responsible, on the national level, for *"Urgences"*, an emergency service operated by the *Secours catholique de France*, and who made some comments after returning from a journey that had brought him to the very doors of Biafra, in Cameroun and Gabon.

In answer to generous appeals, said Mr. Elophe a number of French families have volunteered to open their homes to Biafran children. It comes from a noble heart. But let us consider the hard facts: it does not appear to be either feasible or desirable. First of all, transportation is lacking and available means inadequate. Then, there are two possibilities to be considered:

"First, the children still have their family; is it a good thing to separate them from it? All the same, it would be unreasonable to do it without their parents' consent. Now, a simple question: will they give their consent?

"Second, the children who are sheltered are orphans or they have been deserted or lost; is it proper to move them away if not from their fellow-citizens at least from their natural environment?—

Most members of the committee did not want to be explicit and propose a cease-fire to allow intelligent negotiations. Who must take the initiative? Nobody wants to make the first move and during that time the war continues to decimate a population.

It would be necessary to conclude a cease-fire so to make General Gowan understand that to obtain the submission of the Ibos by force would never make good citizens of those people and would be useless to Nigeria. General Gowon should also be made to understand that there can be no unity in slavery or domination, between the dead and those who killed them. It is also important that both sides understand that time heals many things and that a cease-fire, without which negotiations are not possible, could solve many things.

[Mr. Laprise.]

And if it is not too late, that part of the African continent, and its inhabitants, could still progress and develop normally.

I am sure, Mr. Speaker, that all will be willing to help rebuild this country, and particularly heal the wounds left by the war. If the shooting and the bombing do not stop, it will really be a genocide to which we will have contributed by our lack of courage before certain powers more interested in saving their wealth and their pride than human lives that have no value for them.

Mr. Speaker, I think that the amendment proposed earlier by the spokesman for the Progressive Conservative party deserves all our attention and all our support. Consequently, these points should have been formally included in the report submitted to the house by the committee on external affairs and national defence.

• (5:40 p.m.)

As for me, I think that both points of the amendment tend to bring about a solution, although the mover did not want to be too categorical and he only made suggestions. I am sure that those who will study today's debates—I suppose that it will not only be members of the house and the Canadian press, but also all international agencies—will do it carefully. That is why, Mr. Speaker, I will support the amendment.

[*English*]

Mr. Pilon: On a point of order, Mr. Speaker, I thought that before the beginning of this debate the house leaders had agreed upon a time limit of 20 minutes for speeches.

The Acting Speaker (Mr. Béchard): Order. I was not aware of that arrangement when the hon. member for Provencher raised his point of order, but now I have the explanation from the hon. member for Chambly. Is this agreeable to the house?

Mr. Bell: Yes, Mr. Speaker, except in the case of those who have special privileges.

The Acting Speaker (Mr. Béchard): Except in special cases like the Leader of the Opposition and the Prime Minister. Is this agreed?

Some hon. Members: Agreed.

Mr. Norman A. Cafik (Ontario): Mr. Speaker, I am fully aware of the importance of this debate on the report of the standing committee on external affairs and national defence concerning the situation in Nigeria-Biafra. There is no doubt that all members of the

House of Commons share the deep concern felt by the Canadian people for the suffering and starvation of innocent victims of war. This is particularly true in the case of Nigeria-Biafra where the large number of victims, especially children, has captured the attention of Canadians in all walks of life.

This interest of the Canadian people to some extent has been brought about by the emphasis given to the unfortunate situation in that part of the world by the news media, combined with the basic instinct of Canadians to give help and assistance to those in need. The purpose of this debate, as I see it, is to consider the facts that were brought before the standing committee on external affairs and national defence in order to arrive at a decision as to what Canada can do and should have done to bring assistance to the people of that area.

In all issues where emotions are running high it is important that we in the House of Commons, as legislators, remain cool and assess things in a reasonable manner so that we have all the relevant facts to determine a reasonable course of action which will afford us an opportunity to give the Canadian people the chance to properly and effectively help people through our humanitarian aid. It was for this reason that on Monday, October 7, the standing committee on external affairs and national defence was set up and given a special reference, first, to consider the conduct of the federal troops in that war and, second, to consider the famine conditions in Nigeria.

I am privileged to be a member of that standing committee which held 24 hearings between October 8 and October 23. Some 16 witnesses appeared before the committee, three from the Department of External Affairs and three from political parties, two of these being members of the House of Commons, one a Conservative and one a member of the New Democratic party, and the third a member of a provincial legislature who is also a member of the New Democratic party. In addition we received evidence from six persons representing religious and service organizations including the Red Cross, CUSO, and Presbyterian and Catholic agencies. A further two witnesses from the news media were heard, and in addition the secretary-general of the Commonwealth and Canada's representative on the international observer team, General Milroy.

During this debate I do not intend to go over the mass of evidence that was received in that committee. I, for one, was disappointed when witnesses were not heard from the Organization of African Unity or from Nigeria or Biafra. I think that those who are deeply concerned and obviously directly involved with the matter should have been given the opportunity to present their case before the standing committee. Unfortunately we heard no such evidence.

The contrast in the evidence presented to the committee and the information received by the public, from the press was astounding, to say the least. In the early days of October when the committee first met it was not uncommon for the public and even for members of the committee to throw about charges of genocide, as if it were a proven fact. Yet when one looks at the evidence presented to our committee there appears to be no justification whatever for that serious charge.

Certain members of the committee were so convinced of this charge at that time that they wanted us to use the charge as a basis to bringing the matter before the United Nations. Subsequently that argument was dropped and another put in its place, that we should go before the third committee on human rights. I have not yet heard the justification for that position.

Mr. Thompson (Red Deer): Haven't you?

Mr. Cafik: There have been many changes in attitude. In the first instance hon. members concentrated on the need for humanitarian aid. I recall that before the committee was established questions in this house were directed to the matter of humanitarian aid that Canada ought to be supplying to this area. We agree that there is a need for aid and that Canada has done a great deal. As soon as the committee hearings began and we sat down to listen to evidence, particularly to evidence from two people who are members of this house, we found, and this was a surprise to me, that the general attitude had changed. We rapidly discovered that certain hon. members were hoping for some kind of political intervention. In the beginning humanitarian aid was all that was discussed. Later, humanitarian aid was almost irrelevant. It was said that the government must become politically involved. That was quite a significant change.

The new attitudes now take the following form: First, that we should take the matter to the United Nations, an argument that many hon. members feel is the correct one. I, for one, do not think it is a good idea and I will

give my reasons for that later. Second, we should arrange a cease-fire. Third, we must do something to stop other countries shipping arms to Nigeria. In later questioning it was admitted in committee that perhaps we also ought to do something about arms going into Biafra. In the beginning hon. members were only concerned about the shipment of arms to Nigeria. The fourth point is that we should give military assistance somehow to produce a stalemate in Nigeria and Biafra. Some witnesses, seemed to want a solution whereby Biafra would be stronger than the federal area of Nigeria. It was also suggested that recognition be accorded to Biafra itself, something which fortunately seems to have been forgotten.

• (5:50 p.m.)

Lastly, there was a veiled suggestion, not by a member of this house but by a member of a provincial legislature, that possibly later if not as a first priority, we should give consideration to seeing that more arms were supplied to Biafra. These attitudes are not, in my opinion, consistent with the proper interests of Canada or of our friendly relations with other countries of the world.

Some hon. Members: Hear, hear.

Mr. Cafik: Throughout all this confusion, fortunately for Canada and for the Canadian people and, indeed, for the people of Nigeria and Biafra, we had strong leadership from the Prime Minister (Mr. Trudeau) who refused to be swept along by this kind of emotionalism. As I see it, Canada has taken the only course which is capable of achieving any kind of worth-while results. The course we have taken, justifiably, I think, is one of saying that the Nigerian-Biafran affair is a civil war, a matter of concern to those within that country, and that we have no right to interfere politically. Taking the matter before the United Nations would, I believe, amount to interference in a civil war, and for this reason I do not think we should do it.

In the second place—and this is the basic point I wish to make this afternoon—Canada must show proper respect and regard for international law. It seems odd to me that at this particular moment in history when peace of the world depends upon good relations between one nation and another, people in this House of Commons, who are as concerned with peace as I am, should suggest that this government take action of a kind which would tend to destroy the validity of international laws governing the relationship between nations.

Some hon. Members: Hear, hear.

Mr. Cafik: I do not see how one can be an advocate of peace while at the same time advocate that we should take the bull by the horns and disregard such laws. It is imperative today that nations should bear in mind the long term implications of their foreign policy. Unless nations have respect for each other's integrity the world could end in nothing less than chaos and destruction for the whole of mankind.

It has been suggested in this debate that the concept of sovereignty is outmoded. I realize that any concept of international relations is subject to scrutiny and inspection. But to imply that the destruction of the theory of international sovereignty or the rights of individual nations would, at the present time, be helpful to mankind is thoroughly questionable.

Some members opposite talk as though we should interfere in this war. I wonder whether they would talk in the same way if the nation now engaged in this civil war were large enough and strong enough to tell us where to get off. I wonder whether they are prepared for Canada to become involved only because they feel secure in the knowledge that no retaliation is possible. The rules applied should be the same in the case of strong nations as in the case of weaker nations. I have never heard anyone on the other side suggest we should become directly involved in the affairs, say, of Czechoslovakia, or in Russian affairs when something happens there. We are obliged to be careful in such circumstances because we want peace in the world. And we must also be careful in this case; otherwise there will be chaos in the whole of Africa.

There is another point. Canadian foreign policy recognizes, rightly in my view, that our humanitarian efforts must be conducted through the government of Nigeria. Much as we would desire to do so, we cannot take humanitarian aid into that country and frustrate the legitimate government of that nation. We should bear in mind that the area presently occupied by secessionist troops is merely an island in the middle of the federal territory of Nigeria. Biafra has no seaport; it has no access to the outside world except through federal territory or air space. In these circumstances it is impossible to offer

effective aid except with the co-operation of the federal authorities themselves.

My last point is this. Canada has followed a policy of supplying all relief through the agency of the International Red Cross. It has been suggested by some that aid should be given through church agencies. But the International Red Cross is the only agency which has friendly relations with the federal area and is capable of negotiating agreements whereby relief supplies can enter Nigeria and hence Biafra. To act in any other way would be foolish. Moreover, it would undermine the whole of our relief effort.

In my opinion the Canadian government has done more to assist the starving people of Nigeria and Biafra than has the government of any other country in the world on a per capita basis. We have contributed in cash $1,060,000 according to information I have received. Moreover, it is estimated that it cost the government, hence the Canadian people, $105,000 to put the three Hercules aircraft into the position of being able to supply relief. While these aircraft were in the area it cost the Canadian people and estimated $6,000 a day to maintain and man them. In addition, we have supplied observers to the observer team. All in all, the Canadian government has in my view done more on a per capita basis than any other government in the world.

Some hon. Members: Hear, hear.

Mr. Cafik: The fact that these aircraft are not being used at the present time is no reflection on the Canadian government. It should certainly be obvious to the Canadian people that the reason these aircraft are not being used, particularly in Biafra, is that the Biafran authorities themselves have refused to allow them to fly into Biafra on daylight flights, not wishing to confine daylight flights to relief supplies. They seem to be more concerned—and I am not being critical; it is a matter for them to judge—about the conduct of the war than they are about the plight of their own people. It is not the fault of this government that Biafra has not agreed to accept the aid we have offered.

All this does not mean we should be satisfied with our present efforts. I think more should be done. However remote the possibility of success may seem, ways and means should be explored in an attempt to do everything possible to feed these starving people.

Had we approached this problem in any other way I believe we would have destroyed our good offices not only in Biafra but in Nigeria. We would have destroyed something which has taken many years to build—a certain attitude toward foreign affairs which must be sustained in order that we may continue to exert some kind of influence among the emerging nations of the world. If we begin to act now like a bull in a china shop, throwing aside international laws and rules, we shall lose our influence in foreign affairs for many years to come.

After hearing evidence and making judgment on the basis of that evidence, the committee reached certain conclusions with respect to conditions in Nigeria and Biafra. First, the committee found no evidence of genocide. Indeed, I have not heard anyone recently seriously suggest that genocide was taking place. Second, the committee believed that the international observer team, in spite of the criticism directed to it by certain 24-hour visitors to that region, had done a good job in performing its functions and that the evidence it presented was accurate according to the terms of reference under which it is operated. Third, we felt that the federal government of Nigeria is enforcing its code of conduct on federal troops in a proper and humane manner.

• (6:00 p.m.)

Mr. Speaker: Order, please. I must interrupt the hon. member to advise him that his time has expired.

Mr. Cafik: May I have the permission of the Chair to carry on for another moment or two?

Some hon. Members: Agreed.

Mr. Cafik: If I might sum up my personal views, I believe it is absolutely essential that we maintain our good offices with Nigeria. I think this is fundamental to any approach we take. I believe we do have better offices with Nigeria than any other nation in the world today. I think we have proven by our efforts that we are truly concerned about their needs. I believe we can properly take advantage of this by perhaps offering our services as a mediator in this dispute, consistent with our policy not to interfere in their affairs. I recommend that this be given careful consideration.

Mr. Speaker: Before calling it six o'clock may I be permitted to refer for a moment to the procedural aspect of the amendment moved by the hon. member for Fundy-Royal.

As hon. members know, section 2 of citation 323 of Beauchesne's fourth edition states that:

> A report from a committee cannot be amended by the house, but it must be referred back to the committee.

Under the provisions of that citation, the purported amendment now before the house could not normally be received or debated, since it seeks to amend the report of the committee rather than the motion for concurrence in the report. However, in view of the terminology of the special order setting up this debate, that is, suspending precedents and standing orders, the Chair, under the circumstances, considered that the amendment should be accepted. I hope that today's proceedings will not be drawn on as a precedent for use at a later date.

Mr. Jamieson: Mr. Speaker, it is my understanding that at this time we would normally have private members' hour. However, if there is unanimous agreement, and since I gather a number of members wish to speak in this debate, perhaps we might have consent to continue with this debate until seven o'clock, adjourn at that time, and then resume at eight o'clock.

Mr. Knowles (Winnipeg North Centre): It is agreed.

Some hon. Members: Agreed.

Mr. David MacDonald (Egmont): Mr. Speaker, there are debates in which I have enjoyed participating much more than this one because it does not make me particularly happy to stand here to participate in a debate which has as its basic note the sad reflection that our government has been so engulfed in its own red tape and misconception that it basically has been unable to act in respect of one of the greatest international tragedies that face us today. I could have wished very honestly that the Prime Minister (Mr. Trudeau) of this country, when he addressed the house this afternoon, would have given us a statement that would somehow have sounded a realistic clarion call to action which is something that has not been forthcoming from this government from the time of the earliest review or consideration of the problem. Indeed, the speech we listened to this afternoon was filled with nothing much more than distortions, half truths, weak defences and misleading statements about this great tragedy. I do not know whether one should spend time in delineating, in the context of his speech, the failure to grapple realistically with this problem. It might be wiser in the long run to take the time, for example, to outline the basic weaknesses of the government's position plus some of the initiatives that it might yet consider.

There is, and I think this must be admitted, a basic misconception on the part of the government, first of all, about the nature of the conflict itself. The Prime Minister stated it clearly in his speech when he said it is necessary to grasp the basic fact that this is a civil war. I am neither an international expert nor a lawyer. I do know enough, however, to believe that civil wars are usually those which involve the recognition of certain basic standards of governmental conduct. If one examines the record in Nigeria even over the past few years it becomes evident that such certainly has not been the case. An automatic consideration by any government that the federal military government of Nigeria is fully accepted and representative of the views of the people of that country is a failure to come to grips with the situation as it exists. It is a well known fact that the government is the result really of a military coup, following a previous military coup, that there was no election in respect of the present government, that the constitution as it exists today in the country bears no relation to the one agreed to by all the people at an earlier date, that security of property and persons has broken down completely over the past two years and more in Nigeria, and that the economic action of the military government against a sizeable minority was such as to question the viability of that country even if there had been no civil war. This is beyond question.

The Prime Minister and other government spokesmen have failed even to recognize that such a situation exists. In the speech of the Prime Minister there were comments with regard to what the position of the government should be. He has suggested—I believe he suggested this as recently as yesterday in the house—that it was not the position of the government to take sides. How I wish that were true. What we have been faced with from the beginning is an increasing amount of partisanship, not in the sense we speak of it internally in our country but in terms of this conflict. Canadians, I believe, from coast to coast have asked that the government's action be genuinely neutral. This has not been the case with the government. I believe the

government has adopted an increasingly pro-federal military government Nigerian position. I include the expression "military government" in that statement because I believe it would be a different thing to say that the government is just pro-Nigerian. There has been far too much evidence to date for anyone to suggest that even those people living in the federal part of Nigeria are in strong accord with the actions of their military government or their military forces in the field.

One of the astounding things I found in the remarks of the Prime Minister this afternoon was his suggestion that Canada should not take action at the United Nations either in committee or in the General Assembly because it might strain the very real and very meaningful friendship which Canada enjoys with Nigeria and with other African states. It seems to me, Mr. Minister, that your concern for these friendly types of relationship is greater than your concern for human life itself.

Mr. Sharp: They are the same.

Mr. MacDonald (Egmont): I doubt they are in terms of the action the government has been carrying on over the past few months.

Mr. Speaker: Order, please. The hon. member must address his remarks to the Chair.

Mr. MacDonald (Egmont): I am sorry, Mr. Speaker. I am afraid the intervention by the minister made it a more personal confrontation than it was meant to be. I, for one, feel that when we are moving in an area of international conflict, as this one in a sense is at present, there may well be certain risks and certain difficulties in dealing with just the kind of problem we face today. We will have to accept what I will call the reasonable risk in terms of straining the friendship and the views in which other countries might hold us, particularly if this involves a question of human rights or life itself.

• (6:10 p.m.)

The Prime Minister has often referred to the fact that we must be very careful when we are setting precedents or allowing them to be established. I agree with him wholeheartedly. I think we must be very careful in respect of the precedents which are established in the international community. One of the most dangerous and diabolical precedents ever established is being established at this moment, that it is quite all right for a federal or national government to take whatever steps it wishes to put down or control the revolution of a minority, however large or small, for the sake of national unity. Any number of bombings, any kind of economic blockade no matter how substantial, how complete or how much it may affect civilians, women and children, is quite permissible within the international community provided it is all done in the name of territorial integrity, national sovereignty or some other catchword, which prevents the United Nations or any other international forum from taking action. Is this the kind of precedent we are establishing?

I remember that earlier people in our external affairs department were worried about the analogy that might be drawn between Biafra-Nigeria and Quebec. I would say to my friends in Quebec that they should watch closely the precedent we are allowing to be established. If they are worried and concerned about future rights and liberties they should ask themselves the question, does this justify any action on the part of the federal government in terms of these minorities? Of course, the analogy with Quebec has been a fraudulent one because, thank God, we have not lived through the kind of hell that the people of Biafra-Nigeria have lived through in the past few years. The people who try to suggest there is an analogy are being mischievous and evil.

I am concerned about the situation as it exists in Biafra-Nigeria, and I am concerned as all Canadians are with federalism but not with making federalism a dogmatism. That is not what people with any concept of fairness or concern should try to do, arrange some kind of universal solution that can be applied to every situation. We want to see and treat situations as they are, and that is what our government has failed to do in Nigeria-Biafra.

The government claims to be neutral, yet it talks to only one side. It waits for Colonel Ojukwu to respond, but it never asks him the questions. The government for years has had diplomatic contacts with Nigeria. It feels it is important enough, in order to have a relief operation that will be effective, to send a prime ministerial special representative to Lagos, but it never even makes a ten cent phone call to Biafra. What kind of neutrality is that? That is not neutrality at all. It is simply buying propaganda that has been cleverly designed by other governments which have certain interests in this country, and using the particular communications machine established by Nigeria itself.

If we really wish to take a neutral position, and we have not done so today, then we must

begin to communicate with both sides. Some suggest we cannot talk to Biafra because we do not recognize it. In diplomatic parlance it does not exist. I think it was only a few days ago that one of our ministers stood in this house and announced further sales of wheat worth millions of dollars to another country which, according to diplomatic representation, does not exist. It is a very easy thing to sell wheat to anyone who wants to buy it, whether they exist or not, but when it comes to carrying on a relief operation for people who are literally starving to death, then we have to cross all the "t's" and dot all the "i's", making only those contacts which are diplomatically acceptable.

I for one am not anxious that Canada's name be listed in the record book as simply another partisan in a very futile and sick war. At the very most we can say we are pacifists. I am not a pacifist, nor am I a warmonger or a military type. I believe that Canada should be a peacemaker and it strikes me as incredible that the man who is now the Prime Minister of this country, who has said over the years many things with regard to the establishment of an international morality with greater acceptance in dealing with questions of the establishment of an international morality, should now be reduced to the point where he is just another national partisan in this great human agony.

Some people have talked about the great role that Canada plays as a quiet diplomat. Where is this great quiet diplomacy? We have had occasional references from time to time to what our government has done. Yet on investigation much of it has seemed to be half-hearted and misdirected. If quiet diplomacy really does work then let us see some definite results from it and not the kind of defensive innuendo that has been made far too often by the Prime Minister and others in his government in place of real action.

I am not going to spend all my time being critical of the government. I have done that in other places, and some people have suggested they have heard enough of my views on this situation. Let me just suggest a few initiatives that are still open to the government, some of which are so incredibly obvious I cannot understand why they have not been attended to months ago.

One of the comments made recently about the ineffectiveness of our Hercules aircraft was that the airfields at Enugu, Calabar and Port Harcourt were not suitable or would not bear the continual use of Hercules aircraft. I understood these were military planes and as such it was a relatively simple matter for our air force, because of training, to improve local airport conditions or, if necessary, to build new ones. Is the government trying to tell us that if we ever get into a real war or something like it we are going to spend as much time saying that we cannot fly these planes here, there and everywhere because we do not have suitable airports, and we will have to wait for five or ten years until we instal long runways with sufficient density to bear these aircraft? That is nonsense, and I think most people realize it.

I asked the Prime Minister a few weeks ago why, in view of the fact that many of these aircraft remained inoperational, we did not use a massive airdrop. I think the reply really was that the government had not considered this. The government has not considered this? This is one of the basic reasons we own these aircraft, but we simply pull them all back to Canada. Why can we not carry out an airdrop and carry it out now?

Earlier the Prime Minister referred to the idea of developing corridors, saying that corridors have been offered by land and by sea by Nigeria but have been refused by Biafra. That is misleading, to say the least. Corridors have been offered from time to time by both sides and both sides have refused them. If we are going to have statements about relief operations at least let us have the whole picture from the Prime Minister and not a one-sided, loaded story.

At the earlier stages it was the hope of myself and the hon. member for Greenwood that we would not get into some of the difficulties raised by the Prime Minister about acts of war. He has dropped that one for some time, but there are other problems as well. We suggested that the government could do what other agencies and other governments have done. It could put these aircraft at the disposal of private agencies to remove any kind of international involvements, if this was felt to be not in the national interest. This, of course, was considered summarily at best and abandoned.

It is my suggestion there were other alternatives available if the government really wanted to act. We know there are other agencies working, and even if we could not make our aircraft available we do have financial resources. A committee meeting is taking place right now in Toronto in an attempt to raise enough money to buy one Superconstellation to increase the relief operation into

Biafra. Is our government ready to help and are we willing to match dollar for dollar? It seems to me that these are questions which should not be considered today or even yesterday, but a month ago or two months ago.

It seems to me that our contacts with Biafra have been ludicrous. We know there is a problem with regard to diplomatic recognition, and we know there is a problem with whatever national sovereignty and integrity still exists in federal Nigeria. Surely we could have set up the machinery for an accurate contact with the Biafran authorities through Zambia and Tanzania. What arrangements have been made to work through these contacts? None that I know of. Instead we choose one relief agency which, as is well known, has had considerable difficulty not just beginning in September but in July or before with its relief operation. Yet the Prime Minister told us this afternoon that his confidence in the Red Cross has not been shaken. Does he seriously expect us to believe that kind of statement? If we are serious about it, let us establish some contact so we can have a good back and forth communication with the authorities in Biafra. Let us use the Tanzanians or Zambians or whatever diplomatic contact will work, but let us not waste time trying to confuse the issue or faltering in feeble efforts such as we have attempted to date.

• (6:20 p.m.)

I hope the Prime Minister and the members of his government will simply not rest on their activities to date. I was frankly disappointed that the Prime Minister in his long speech spent almost no time dealing with the committee report itself. We and other opposition groups submitted minority reports. There were useful recommendations in them with regard to conciliation, the relief operation, the transportation of food and supplies, and the observer team. Yet since these reports were published two or three weeks ago there has been no comment, not even today, on what is to be the response of the government to the new series of suggestions.

Mr. Sharp: I will make that comment later.

Mr. MacDonald (Egmont): We look forward to a comment of that kind, because it is shocking that we should have set aside a whole day to debate this serious matter and should have to wait for some kind of wrap-up, presumably, or dessert before we are told the government's views with regard to the suggestions made. We look for action.

The tragedy of this war so far as Canadians are concerned is that they want to participate, not in solving the political problems of the Biafrans and Nigerians, for that is not our intent, but in looking for self-determination for all the people in Nigeria-Biafra. But that will only happen if these people are alive to participate in it.

Mr. John Roberts (York-Simcoe): Mr. Speaker, there seems to be no basic disagreement on the part of the opposition with the purposes of the government's policy in relation to Nigeria and Biafra. What they have complained about is the fact that they believe this policy does not go far enough. They are disappointed it is not promoting further the humanitarian efforts which they wish to see succeed. In this regard, of course, they share the concern of many Canadians that the suffering end in Biafra. That feeling is brought about by many of the best aspects of Canadian life, our concern for others, our disinterested desire for good and the strength of our moral concern.

But the test of a foreign policy is not simply the high-mindedness of its purposes. We live in a real and hard world where idealism must be tempered by realism. The major test of any foreign policy is its practicability, its usefulness for the objectives that all members of this house share, for it is not simply members of the opposition who are concerned about the suffering, the pain and the death in Biafra.

The criticisms which have been brought against the government's policy are basically of two kinds. There are those who say the government should be more vigorous in pursuing these humanitarian objectives but should not become involved in the politics of the dispute. They say the government should pursue these humanitarian objectives regardless of the various interests or expressions of opinion by the Nigerian authorities. There are others who, recognizing that the humanitarian and political aspects are impossible to disentangle, suggest that Canada must seek for and put forward some kind of political stalemate which would result in the end of the war. They believe that in this way the humanitarian aspects might succeed.

Let me talk briefly about both these aspects in turn. I refer first to the proposal that Canada could and should be more vigorous in pursuing these humanitarian objectives and that we should not be delayed or derailed from so doing by the point of view of the Nigerian authorities. It would be a lovely

world if we could simply compartmentalize the political problems on one side and the humanitarian objective of bringing in relief supplies on the other. But unfortunately the political and humanitarian aspects are intermingled for at least three reasons.

First of all, unfortunate as the fact may be, in modern war the question of the morale of the state and the condition of the civilian population, is a factor of importance in the successful conclusion of a dispute. Second, in relation to this war it is obvious that a battle of public relations is going on. We have all seen newspaper reports that enormous sums of money are being spent, some in Geneva and some in the United States, to promote on both sides the public image that they wish to present. On the part of the Biafran authorities, this is quite a reasonable position for them to take. There is an attempt by them to use public relations, to use natural world sympathy, to promote their interests, which is the imposition of a political stalemate in the area. I do not criticize them for that. I simply point out that the public relations aspect and the humanitarian aspect are involved necessarily in a political dispute.

Unpleasant as the fact may be, we must recognize that for every plane load of relief supplies that goes into the Biafran area, a plane load is freed to bring in a supply of arms from Gabon or whatever part of the world is supplying arms to the Biafran authorities. The provision of relief relieves other facilities to bring in arms; so there is a necessary intermingling of the humanitarian and political problems.

It would be simple-minded to expect the Nigerian authorities to simply say: Go ahead with your humanitarian efforts regardless of how they affect our war situation, and pay no attention to our views. They have an interest in how the humanitarian efforts are being carried out. If we look at the real facts of the situation we will understand that without the co-operation of the Nigerian authorities no very substantial effort can be made which will be effective in bringing relief to the trouble-spot of Biafra.

As has been mentioned by other hon. members, Biafra is landlocked; it does not have great air or port facilities. The position is roughly similar to that in Berlin at the time of the blockade. I understand that in Berlin one aircraft arrived every 70 seconds bringing in food, medicine and other supplies, and even then the airlift was not effective. We cannot possibly hope, no matter how effective our airlift, no matter whether we use the airdrops the hon. member mentioned, to deal with the problem without land corridors; and we cannot get land corridors without the co-operation of the Nigerian authorities. That is the practical reason why whatever Canada does in the humanitarian area must be done not in defiance of the Nigerian authorities but with their co-operation.

Let me now turn to the second criticism which has been levelled against the government's policy, that which suggests we must insist upon or push for a political settlement, some kind of stalemate to the war, as a means of achieving the humanitarian end. Such an argument raises the question that other hon. members have mentioned, namely, that of the intervention of Canada in the internal affairs of other countries. What I think has not been sufficiently stressed is that the principle of non-intervention in the affairs of other countries is an extraordinarily progressive principle in international affairs. It is progressive because it substitutes another rule of action to that of the use of force in international affairs. It substitutes something other than national interest as a guide to the conduct of nations in foreign affairs. This is exactly the principle of non-intervention which we have attempted to use to protest, to deny the validity of the Russian intervention in Czechoslovakia.

The opponents of the policy of this government suggest a way of proceeding which they say is for the greater moral good in dealing with the problem of starving children and suffering in Biafra. They suggest we should be prepared to let these rules of international conduct go by the board. We should accept this minor inconvenience as a necessary price to pay for doing something good. They argue a little, like the girl who is prepared to be just a little bit pregnant as long as it is all good fun. They say that the morality of our objective justifies our intervention. There never was a country that intervened in the internal affairs of another country that did not claim its purposes to be moral and honourable. No country ever said it is going to intervene in somebody else's affairs for its own wicked ends. This principle of non-intervention is one which poses a rule of conduct which is not simply that of a self proclaimed interest of a country in the affairs of another. It may be that those who are opposed to the present government's policy in Biafra are prepared to abandon the principle of non-intervention in the affairs of another country.

If so, they are prepared to abandon a principle which has been at the root of Canada's foreign policy since the second world war, and if they are prepared to do so they should be clear what they are doing, because they are encouraging countries to interfere in the affairs of another country when they say they have a moral right to do so. This is a dangerous principle which is contrary to the way in which we have been trying to strengthen the system of international politics.

• (6:30 p.m.)

Criticism has been made that the government's policy is bound up by legalisms, diplomatic niceties and protocol positions. The suggestion has been that we should ignore the rules of the game. But we are not involved here in some kind of symbolic and monstrous game of hopscotch or tiddlywinks with rules which can be broken or not broken, but rather we are concerned with practicability. The rules of international conduct we have been trying to establish are related to the real political world in which we live. The real question is not whether the kind of intervention which hon. members in the opposition have asked for is within or without the rules of the game or whether or not it confines itself to protocol. The real question is a practical one: Will it work? Will the kind of dramatic intervention which the hon. member for Egmont (Mr. MacDonald) has asked for, work? Will the appeal to the United Nations which the hon. member for Fundy Royal (Mr. Fairweather) has asked for, work? It is not whether they will confine themselves to the rules of the game, it is whether they will work, and whether they will be useful.

The unfortunate thing for proponents of their view is that all evidence is against the hope they will be useful. Legal authorities have been cited, but the question is not whether it will be legally possible to bring this matter before the United Nations but whether it will be useful. Sometimes I have had the feeling as I did when the hon. member for Greenwood (Mr. Brewin) was speaking, that some people believe that out there somewhere there is a fantastically powerful force of public opinion which stands around with bated breath waiting for Canada to come out and lead it. He almost feels that if the trumpets were sounded, the walls of Jericho would crumble down. If he really believes that in the present world there is that force of moral character and strength which can dominate the affairs of a civil war, such as that between Biafra and Nigeria, he is living in a fool's paradise and he is advocating a Disneyland foreign policy. The question is whether this would be helpful, and the evidence is against the position the opposition has been taking.

It is not just the view of the government, it is the view which has been expressed by diplomats, by the vast majority of African nations and by the vast majority of nations in the United Nations, as well as the view expressed by U Thant. On this particular point it seems that everyone is out of step but the opposition parties in the Canadian parliament. What is the point of trying to make some dramatic statement about Canada's moral view of the situation? What is the point of trying to make a great public show at the United Nations on where Canada stands? It will enable us to stand up and be counted. We will have the smug feeling that we have expressed our moral point of view.

There are limits to what moral authority can do in international affairs. Righteous indignation, even when spouted so eloquently by the hon. member for Fundy-Royal and the hon. member for Greenwood, is not a foreign policy. To the Africans, the situation does not seem to be so easily susceptible to those simple moral judgments which have been presented to us. For them it is a complex problem, a problem of tribalism, of oil resources, of cold war involvement, of religious conflict, and of commercial interests. They do not seem ready to accept or to wish for Canada, as the self-proclaimed conscience of mankind, to interfere in this complicated situation, especially when it is the Africans and not the Canadians who will have to live with the consequences of such an intervention. The Africans, rightly or wrongly, will judge our morally inspired attempts as at best a clumsy, and at worst a self-interested missionary neo-colonialism.

What would be the result of such action? The proponents of the view that we should ignore the wishes of the Nigerian authorities and that we should at all costs bring this matter to the United Nations will succeed in doing three things. They will severely damage our influence in Africa for at least a decade by characterizing us as neo-colonialists. Second, they will deny the basic principles of the Canadian foreign policy of non-intervention in the affairs of foreign countries; and third and most important, they will not assist to one degree in the preservation of life or the relief of suffereing in this area. They will not help because, as I have stressed before,

the effective provision of relief in this area requires the assistance and co-operation of the Nigerian authorities. We may not like it and we may wish it were otherwise, but that is the fact of the situation.

In the committee hearings it was clearly brought forth that something in the order of 3,000 tons of food in daily relief supplies would be required as the year wore on. There is no possible way to ferry or airlift that amount of material into Biafra, and there is no way of really dealing with the relief problem by way of the land corridor without the acceptance of it by the Nigerian authorities.

We have heard about the determination of the Biafrans to fight on. I can assure you, based on my experience at the United Nations, that there is just as strong a determination on the Nigerian side to bring this civil war to a successful termination from their point of view. The test of our foreign policy should not be whether it would give relief to the Canadian humanitarian desire, whereby we feel morally desirous of helping the Biafrans; but the test, as John Kennedy said, is whether it will work and whether it will help.

There is no doubt the Nigerians wish to pursue this war with all the force they can. They may be right or wrong. I suggest it is not for us to make that moral judgment. I believe that on the basis of the test of what will work and what will help, the Canadian government has done as much as any government is doing, and as much as any government can do at the present time. If I were to make one criticism of the minister and of the policy of the Canadian government in this area, I would say that perhaps we have been weak in explaining the policy and that our public relations has not been as good as it might have been. However, I do not think that the Canadian people ultimately will judge Canadian foreign policy from the effectiveness of its public relations nor do I think they want a foreign policy which is dominated by the idea of public relations. I do not think they want our politicians to strike attitudes in relation to our foreign policy, attitudes which are of no effect. What they want is a government which works effectively in two areas: first, to strengthen the rules of international conduct, and second a government which effectively works to assist those less fortunate than ourselves. That is the kind of government and the kind of foreign policy we now have.

[Mr. Roberts.]

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I appreciate the opportunity of participating in this debate even as I appreciated participating in the committee hearings, I believe them to be some of the most fruitful and informative committee sittings ever held by this house. I have likewise appreciated the work that has been done by that committee. I am also grateful for these opportunities, because Africa still has the bigger part of my life and I know the continent very well. I know the background of the country and the tribal differences that have led to the present situation in Nigeria. To realize that we have in this house at least 30 members who have participated in the committee hearings and have been informed of the situation in Nigeria, as otherwise they would never have been informed, is something of great value and intense interest to me.

• (6:40 p.m.)

Emergent Africa has known more than its share of strife over the years, starting with Mau-Mau movement and going on through the carnage of the Congolese Secession. In scope of suffering, however, in depth of bitterness and in the hoplessness of any viable solution short of wholesale slaughter, I doubt that there has ever been a parallel to what is taking place in Nigeria today. This is the Nigeria of which only eight years ago we were so hopeful. It was held up before the world as one example of a colonial territory that was truly ready for self-government. Sir Alec Robertson, the last governor of Nigeria and a personal friend of mine—I had known him in Ethiopia, in the Sudan and then later in Nigeria—had the task of moving Nigeria into independence. He often said to me that Nigeria was perhaps the one country in Africa in which there was a hope of a stable, democratic government because the situation in Nigeria, which we do not have time to deal with today, prepared that country for self-government as no other colonial territory had been prepared.

Today we find the people of Ibo land, a tremendous race of people, fighting for what they believe to be their lives against their sister tribes, basically the Hausas and the Yorubas, who had joined with them to form the federation eight years ago. It is an interesting commentary on the situation that exists today to realize that the Ibo people led the struggle for federation; it was the Ibo people who struggled hardest for the federation. The northern section did not want to go along with it and the Yorubas in the west

were not so sure. Today this hope for the federation has been fractured. The situation which exists certainly is a civil war and is the tragedy of the year.

The remarks that have been made by the different members who have participated in the debate this afternoon substantiate the fact that the conscience of the nation, yes of the world, has been awakened by this situation. It is likewise a sad commentary that the United Nations, and other organizations which exist for the very purpose of solving problems between nations, have been ineffective, have been unable or unwilling to provide any effective solution for stopping the war. I cannot help but say this afternoon, Mr. Speaker, that I wish to God our consciences were just as aware of what is taking place in other parts of the world. We discuss whether or not genocide is the situation in Nigeria. All we have to do is look at the facts in Tibet to realize that genocide is a fact in that country. Methodically down through the years the Chinese communists have sought to destroy the Tibetan nation, the Tibetan people and the Tibetan religion.

Coming back to Africa, I should like to refer to a part of it which I know even better than Nigeria, that is the Sudan, where the Nilotic peoples of the Upper Sudan during the last few years have suffered suppression that has cost, not tens of thousands but hundreds of thousands of lives. Unfortunately most people do not even know this suppression has ever taken place. This situation exists in several parts of the world, but we are not very much concerned or informed about it. It is good, however, that we are concerned and informed about the situation in Nigeria, at least a little. I feel that this debate this afternoon is of great value, just as the committee meetings have been, and just as all the dialogue that has developed across this country during the last few months has been. I wonder, however, just how much might have been done, how much we would have been aware of this situation if it had not been for the journey to Biafra undertaken by the hon. member for Egmont (Mr. MacDonald) and the hon. member for Greenwood (Mr. Brewin).

Mr. Richardson: Is that the 36 hour one?

Mr. Thompson (Red Deer): Yes, it may have been for 36 hours, but those 36 hours were a lot more than many people had who are having a lot to say on this matter. Such a visit might not give knowledge in depth, but it certainly gives a familiarization which I wish every member in this house could have had.

Nevertheless, Mr. Speaker, whatever the reasons are, as I have said it is good that we have had this debate, that we are aware of the situation. I am concerned a little bit about some remarks that were made in the house this afternoon. I was disturbed by the remarks of the hon. member for Ontario (Mr. Cafik), because he attempted to interpret the motivation of members of the committee who happened to be from the opposition. It seemed to me that he lowered the level of the debate.

An hon. Member: Oh, come off it.

Mr. Thompson (Red Deer): Everyone has the right to have his motives and his intentions regarded with respect. What has been branded as an attempt to get publicity by some, I feel shows an ignorance of what actually is taking place, and I am unhappy about it. One of the characteristics of this chamber, which I have learned down through the years, is the respect that members give other members with regard to their motivation and the convictions they hold. I hope it will never be otherwise. As I listened to the remarks of the hon. member for Ontario I could not help but think of the testimony given before the committee by people like Dr. Johnson, of the Presbyterian missions; Major General Wrinch, national commissioner of the Canadian Red Cross Society; Mr. Romeo Maione, of the Canadian Catholic Organization for Development and Peace; Mr. Alan Grossman of *Time* Magazine; Mr. Charles Taylor of the *Globe and Mail* and Mr. Keith Bezanson, of CUSO. All of these people have had extensive experience in Biafra, and not just a 36 hour experience. They know what this situation is like.

Mr. Sharp: And Arnold Smith.

Mr. Thompson (Red Deer): The minister mentions Mr. Arnold Smith, and I was going to refer to him. However, he is in a slightly different category.

Mr. Richardson: And General Milroy.

Mr. Thompson (Red Deer): If hon. members would give me a chance to speak, I will mention these people.

Mr. Bell: They do not like it.

An hon. Member: Oh, come on.

Mr. Thompson (Red Deer): I could mention people like Mr. Arnold Smith and Major General Milroy, friends of mine whom I respect a great deal. As we listened to these

men, we came to understand that this situation in Nigeria, which is centred on Biafra, was not so easy to describe from either one side or the other. There was talk of genocide. Need we wait for proof of genocide to initiate our action? It has been said that we have done more than any other country. I am glad that we have done what we have done. We in the opposition who have urged for greater action by the government have not intended that we should contravene any sovereign rights of Nigeria. All we have asked has been that, on the humanitarian side, we follow the pattern of countries like Switzerland, Sweden, Norway and Denmark. They did not wait to rationalize their position; they went in with aid. Sweden has one Hercules aircraft in its air force, but it managed to transfer title of that aircraft to the Swedish Red Cross and thus to the International Red Cross. Scores of trips have been made with that aircraft. I rather believe that on a per capita basis countries like these have made a greater contribution than we have.

• (6:50 p.m.)

I do not minimize what we have done, because this has been good as well; but I would just say this, Mr. Speaker, that we cannot do justice to the situation in Nigeria unless we take cognizance of what has happened there in the last eight years. This is a civil war; there is no doubt about that. It is a civil war that has been brought about through tribal differences and by false assumptions made by those responsible for drawing the borders of Nigeria, and in thinking that under self-rule government could develop as it did under colonial rule in a harmonious way between the various tribes.

For example, you cannot separate the cessionist position of the Ibo people of Biafra today from the massacres of 1968. Very little has been said about this but the bitterness of that bloodshed, the first being civilian instigated and the second, following the first coup, being militarily instigated, is part of the background in understanding the situation.

The original concept of Nigeria, taking in three major tribal groups, the Hausas in the north, the Yorubas in the west and the Ibos in the east, was an effort to bring about a federation of three peoples basically different from each other, living together with numerous smaller tribes, in the hope that the country of Nigeria could be viable as an independent state. But this is only one part of the background. We who have been part of the committee are familiar with the overall picture. In fact, portions of the testimony given before the committee were very excellent expository statements of the events that led up to the present situation.

What can we do about it? I do not for a moment believe that anyone who took part in the committee proceedings had any other intention than that of trying to awaken ourselves and the government to the fact that we in Canada should be doing more than we were doing. Any statements to the contrary made here this afternoon are unfair and prejudiced.

When the committee first sat we in the Conservative party stated very clearly in our opening statement that there were two aspects of the problem that we were to consider, one the humanitarian aspect, and the other the political-military aspect. In the first instance I believe that we have done a lot on the humanitarian side. Nevertheless. I think all of us believe, whether we try to justify or criticize the position of the government, that we should have done more. We wish we could have done more, because in our plenty and our affluence it seems to me that we owe a debt to others less fortunate than ourselves, and there is certainly no better opportunity to demonstrate that than in a situation such as exists now in Biafra. But, on the other side, we have the responsibility which falls under the political and military side. This is, not to go in with our armed forces. I do not mean that we should transgress the sovereignty of the Nigerian federal military government. There are other ways of using our influence, and we do have influence. Hardly any nation in the world has more influence among the world's emerging nations than we have.

Also, we have influence with the world's larger nations. Examine the Suez situation, sir, which occurred a few years before the Nigerian independence movement occurred. If the Canadian government had then followed the sort of course it is following in this situation, I think the outcome of that episode would have been far different. The world will thank us if we can be of help in the Nigerian crisis as it did at Suez.

Though the government talks to the world about Nigeria or Biafra it seems to have lost touch with what has happened there. Its utterances lead to confusion, and that confusion may be seen in part when examining the committee's report.

I am not opposed to the report the committee has made to this house. I think every

point raised is legitimate. My only point is that I do not think the committee went far enough. It limited itself to the humanitarian aspect of the matter and did not emphasize, as it ought to have done, what we must do to bring a solution to the problem on the political and military side. The amendment that was moved by the member for Fundy-Royal is an attempt to strengthen the report, which by itself is inadequate.

Some years ago when India and Pakistan were at war—and it was a war—the matter was brought to a conclusion after those who were shipping arms decided they would stop shipping arms. In the matter of Nigeria I think Canada ought to exert greater pressure or influence on Great Britain, Russia, France or Portugal to stop the shipping of arms on both sides. I think our influence ought to be used in that direction, and I am certain that world opinion would be behind us.

Also we need to bring pressure to bear on the commonwealth. I am sure that nations in the commonwealth, particularly those in Africa, feel that they ought to take a greater lead in this matter than they have taken so far. Some say that this is hopeless if the members of the organization for African unity could not agree on the course to take. Twenty nine members gave support to the military government of Nigeria and four members support the Biafran secessionists. If the commonwealth secretariat has the influence I think it has, it will ultimately be able to do more than we in Canada alone can do. We ought to try to convince the secretariat to act.

Mr. Sharp: We are working on that.

Mr. Thompson (Red Deer): Some say that the United Nations had no business in the Congo or in Korea. The fact is that the United Nations refused to act in these matters until a consensus had been reached to act. In the case of Korea the United States went in with other U.N. members. The point is that in these matters the policy of the United Nations resulted in action. Where the results have been good, credit has been reflected on the U.N., but where there has been a failure, the failure has been not only that of the U.N. itself but of the member nations of the U.N.

An hon. Member: The same as Czechoslovakia.

Mr. Thompson (Red Deer): That is entirely different. The difference between the situations in Czechoslovakia and Nigeria-Biafra is the difference between black and white.

In closing may I say that I think we in Canada ought to be doing far more than we are doing, and the government of Canada ought to be more positive in trying to end the war. We must help in a humanitarian way, and at the same time seek a way to end the military war. If we can mobilize world opinion and influence the nations of the world to act with us to end this tragedy I think we shall have done a service to humanity—and made a contribution to world peace. Many Canadians feel that our efforts should be in this direction. If we cannot do that, then I ask: What hope is there for peace in the world?

May I call it seven o'clock, Mr. Speaker.

Mr. Speaker: Order, please. The hon. member's time has expired.

It being seven o'clock I do now leave the chair.

At seven o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Ralph W. Stewart (Cochrane): Mr. Speaker, since the committee on external affairs and national defence began its hearings into the question of Nigeria and Biafra I made it a point in the committee to emphasize that we had to review all sides of the matter in order to arrive at a complete and unbiased opinion. From the very beginning of the hearings it was evident that opinions up to that point were not unbiased. We had reports from the Biafran side and we had reports from the federal side. Yet we had never had a report that covered completely both sides of the war. That is why in the committee I recommended that a group of the committee should go to Africa and view this problem from all sides.

I had the good fortune to go to Nigeria and Biafra and to spend approximately two weeks in Africa. I did not want to go to one side alone but insisted on going to the federal side as well. I did not want to come away with a one sided view and a biased opinion.

No doubt the situation in Biafra is sad. It is the kind of thing that tears at your emotions. I am not ashamed to say I cried in Biafra. I cried when a little boy came to me and threw his arms around me and wanted to stay with me. I could feel his little ribs sticking out. I

cried when I saw women nursing their babies, and other women who were pregnant line up to receive a bit of food and some iron tablets. They cheered and sang songs because Canadians were there. They had been told we would help them and send food to them.

I was also touched to see little children in refugee camps and in sick bays there. There were little tiny ones, one, two and three years old; certainly they were not responsible for the war. I saw children with hair that was turning red because of lack of protein. Their little tummies were distended; their feet were swollen and their ribs were showing. We helped to feed some of these children and to distribute some soup that was made with nutritious food. These teeming, hungry children were given that food.

I will never forget the looks on their faces, and the little bowls they carried with them as part and parcel of their lives. They walked around with their little bowls, hoping they would obtain food. Some of them had bowls, and some of them had cans like our opened sardine cans or other fish cans. You could cut your finger on the jagged end. Certainly we would make sure that our children would never carry around cans like these on which they could cut themselves; but that is all those poor little children had to put their food into.

These are things you do not forget; these are things that tear at your heartstrings. These are things, also, that tend to make you look at that situation from the point of view of those who at that moment are being presented to you. Nevertheless, regardless of the emotional involvement, it is absolutely essential that we all look at this situation from every point of view. I cannot emphasize too strongly that we cannot become involved in a political situation. Ours is a humanitarian consideration, and nothing more.

We heard figures quoted about the numbers of people dying. It was said there were 1,000, 2,000—the figure went all the way up to 10,000—who were dying every day. I do not know the right figure. I do know, none the less, that people are dying needlessly. That is the important point. I also know that people are afraid. They are afraid of being exterminated. Whether their fear results from government propaganda I do not know; whether their fear stems from having seen families suffer atrocities I also do not know. They are afraid of their enemies. We were told that the people were afraid of losing their lives, and some were so afraid they would not come out of hiding.

Imagine, Mr. Speaker, a very simple people, most of whom are probably illiterate in any language. They are just living their daily lives and want nothing else but to live that life. Suddenly a war comes along, and there is a departure from normal customs. Naturally the people are afraid. They are afraid of troops, no matter whether they are Biafran or Nigerian. They do not want any more war; that is all. The question we must ask ourselves is not of whom they are afraid; the question to be considered is that they are afraid.

We must study the political situations existing on both sides of the war. To understand what is happening we must study more and more. But we must not become involved politically in the situation. As I say, we shall only understand the problems of the area by studying them. I do not pretend that simply because I spent two weeks in Africa I am an expert in African affairs. But at least I gained a little insight into the problems of the area by studying those problems before going over. Certainly, I think I have a greater insight than those who have never been there, and I appreciate the opportunity that enabled me to study the problem at first hand.

• (8:10 p.m.)

We spent several days on the Biafran side and then we went over to the Nigerian side. We also spent a little time on Fernando Po, an island off the coast of Nigeria. While in Lagos we had the opportunity to speak with several officials. We also had the opportunity to speak with the Bishop of Calabar, a town in the southern part of eastern Nigeria which had been in Biafran hands and is now in federal hands. We heard about atrocities on both sides. The Bishop of Calabar told us about the Ibos having locked a number of civilians in a church and set fire to it. If we are to believe all the reports we have heard it is obvious that atrocities have been committed by both sides. Another thing which came out in our talks to the bishop was that much of the propaganda which has gone out has not been completely correct. We know there has been propaganda on both sides. For example, while we were there it was obvious that the B.B.C. was not reporting the same thing in Africa as it was in its international service; it was obviously slanted to the federal side. This is something

I mentioned to the officials in London when I called there on the way back.

The Bishop of Calabar drew attention to something else. He went to his desk and took out a large picture of a starving child, one which had been published all over the world —we saw it here. He told us: This is what Biafra has sent around the world as a picture of a starving Biafran child. But all of us here know that this is an Epic child. People who live outside Africa would not know the difference, but this is the kind of thing which has been going on. No one is guiltless.

This business of propaganda has been the fault, to some extent, of our own Canadian media. I will give an example. We made that trip in the company of a reporter from the Toronto *Telegram* who had obviously made up his mind before he ever went to Biafra. He was obviously, biased in favour of the Biafrans, so much so that he wrote his story with the by-line "Biafra" even before he got there. He wrote it in Sao Tomé and as soon as he arrived in Biafra he sent it out on the wire. This is what I call irresponsible reporting, and it is the kind of thing which has been going on in this war. We have seen all kinds of biased reporting and propaganda going out from both sides. I think it is to be deplored, particularly, that a Canadian journalist would be part and parcel of that kind of bias. It is really a sad situation.

I plead with members of the house to abstain from making this sad situation into a political football. We all have our own ideas. If we want to embarrass the government let us choose some other subject—let us not choose the starving of people in Biafra and Nigeria as something out of which to make a political issue. The external affairs committee made a report. We did not all agree with everything in that report. I certainly did not agree with everything in it. In fact, I tried to put forward a couple of amendments, but my proposals were turned down. But when one is a member of a committee he tries to reach some kind of consensus. For example the fourth recommendation has to do with the building and rebuilding of airports. I felt this was going a little too far toward involvement in the war and I did not think this recommendation should be made. However, as I say, members of a committee try to reach general agreement.

I realize that the hon. member for Greenwood (Mr. Brewin) was not in agreement with most of the report. That is his privilege. But I certainly do not think we should wash our linen outside the country; I think we should discuss our differences in the house and in the committee, and not take them abroad.

The day we left was the day on which the report was presented to the House of Commons, and for that reason we did not have a copy with us. But the hon. member for Greenwood chose to send a copy of his minority report along, so that Colonel Ojukwu had this report in his hands though he never did receive the other one. I do not think this is the kind of thing we should be trying to do, because it prejudices all our efforts. I would ask members of all parties to forget about their political differences in this instance. Let us try to work toward the best means Canada can find of helping the suffering people instead of trying to involve politics.

I should like to mention one small thing in connection with the Red Cross. It has worked very hard, and tried very hard, but I do not feel it has done a particularly good job in Nigeria. I think it ought to be mentioned for example, that the number of flights undertaken by the Red Cross has been far inferior in number than those carried out by the churches—about one half. I realize that the Red Cross may not pay its pilots the same rates, that it may have encountered difficulties with crews, and so on. But I think that if the organization placed a little more stress on its operations instead of on its administration there would be a great improvement. As an example, on Fernando Poo there are 56 people involved in administration, besides the crews of the aircraft. All those people are certainly not needed to handle the operations on Fernando Poo. This seems to be a common complaint in the area. Our Canadian servicemen were of the same opinion: There is too much concern about administration and not enough about the actual relief operation on the part of the Red Cross.

I believe it is Canada's best course to mind its own business, apart from trying to help meet the needs of Nigeria and Biafra in a humanitarian way. I hope all countries will adopt this point of view. With this in mind I would recommend two courses to the government. The first is as far as possible to increase aid to both sides—aid by means of daytime flights. I asked Colonel Ojukwu about day flights. He said he was in favour in principle but he could not agree to the Red Cross dictating the wheres and whys and wherefores. He may have a point. However, when there are thousands starving every day,

somebody will have to give, so the more planes we have available to fly in food on day flights, the better.

• (8:20 p.m.)

We certainly would not be able to continue the night flights because I have every reason to believe the Nigerians have been tracking all these flights on their radar, and it is just a question of time before they start shooting down these aircraft. Certainly we do not want our planes to be shot down. Canada is well favoured by both sides. In fact both sides are almost begging us to help. They respect Canada more perhaps than any other country in the world. They feel we have a prestige which other countries do not enjoy, and that we have an influence with other countries. They would like us to help them. I think the main thing is that this war be ended by whatever means are possible. There must be an end to the fighting. We can bring in food and do other things, but unless the fighting ends a great deal of misery will continue and one might wonder where it will lead.

I suggest therefore that Canada offer itself as a mediator in an effort to bring about a ceasefire. Then it might be possible to bring about a solution of the political problem, with Canada acting as a mediator between the two sides. I feel that Canada not only would be acceptable but would be welcomed by both sides. Any other consideration, whether it be in respect of the political situation or recognition of it, or whether it be by arms, should be set aside and Canada should concern itself with the humanitarian problems only.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I hope my remarks will be reasonably brief in respect of the point at issue. I hope also that I shall be able to shed a little light, and not too much heat on the subject. The hon. member who just spoke urged that we do not make this a political issue. I do not think it has been made a political issue. Nevertheless I believe we have a duty to express our opinions quite frankly. When we feel there is some defect or shortcoming in the policy or in the position of the government I believe it is our duty to say so, with whatever reluctance we might have about becoming involved in argument or in making a political issue out of the suffering of the people of Biafra. What we want to do is get on the right course and stay there. This must be our aim.

I am a little disappointed in one sense, although I hope this will be corrected shortly.

[Mr. Stewart (Cochrane).]

The Secretary of State for External Affairs (Mr. Sharp) indicated during the supper hour that he had, as I understood him, some constructive suggestions to make with regard to Canada's position in respect of this problem. I am rather disappointed that he did not do this earlier in the day, so that this could have been discussed freely by the members of the house. I hope he will take the earliest opportunity to put his suggestions before this house and before the country even at this late hour, after we have been discussing the Nigerian and Biafran problems through most of the day.

As the hon. member who last spoke suggested, we are not involved in any gamesmanship in respect of this, and I am sure the Secretary of State for External Affairs does not want to make this a matter of gamesmanship. Therefore I suggest that he put his projects and ideas before the house as rapidly as possible, so that they can be discussed.

Next let me say I might willingly accept the standards and aims set forth by the Prime Minister (Mr. Trudeau) in his speech this afternoon when he said that the government must be judged by one test and one test only on the simple issue, has the government acted correctly and wisely. As I recall, those were his words. I would not have put it quite that way, I would not have put the word "correctly" before the word "wisely". This may be an indication to some extent of the attitude of the government, but I do not wish to quibble about that.

I am prepared to accept that as not perhaps the happiest way in which the matter could be put, but as a standard by which to judge the position of the government. Certainly later on the Prime Minister said there is only one standard by which any particular measure should be judged, and that is as to whether it will be effective. I accept that. In other words, will it be effective in bringing relief to the people who are suffering, or will it be effective as a means, presumably, of bringing a cessation of the hostilities which are the fundamental cause of the suffering that is going on. I accept those standards for the purpose of this discussion. They are not put exactly the way I would put them, but I accept them.

I have come to the conclusion, judged by these standards, that the government policy to date has been a failure. I hope the Secretary of State for External Affairs tonight will place before the house some suggestions that

will constitute a more constructive and more effective approach than we have seen so far.

It would seem to me that the attitude of the government has been one of a desire to keep out of this thing. A number of Liberal members have spoken in this way. I am not referring simply to the offhand and unfortunate comment of the Prime Minister when, during the summer, he was asked about this and is reported to have said, "Where is Biafra?" and, "You ask the funniest questions." However, ever since this session began the position of the government has seemed to indicate a reluctance to become involved, and to give every appearance of simply bowing a bit to public feeling and public concern and taking steps only by virtue of this concern. The initial attitude seemed to be just to make a gift and leave it at that, that there is far more suffering in the world than we can do anything about, and that it is all beyond us.

For example, when the suggestion was first made in the house that aircraft should be made available to the International Red Cross there was a great reluctance on the part of the government to accept this proposal. Indeed the Prime Minister appeared to give the widespread impression that this might very well be interpreted as an act of war.

Then, a little later, he indicated that the government of Canada would be prepared to make aircraft available to the International Red Cross if Nigeria granted permission. When there was some difficulty about permission being forthcoming to the International Red Cross, I then asked the Prime Minister whether the government of Canada would assist the Red Cross in obtaining this permission by the government of Canada itself, through its representative, approaching the government at Lagos in this regard. The Prime Minister replied to me in the house by saying that this is not the way it had been agreed. He said that we must make the aircraft available to the International Red Cross and that it is the International Red Cross that must do the consulting in an effort to obtain the agreement.

I do not know what happened in the meantime, but a little later on the government abandoned this position and made direct contact. As the Prime Minister reminded us this afternoon he eventually sent a representative to Lagos who, in the words of the Prime Minister, fulfilled a very useful mission and secured agreement of the government of Lagos to certain important measures.

Now, one cannot help but wonder why this sort of thing was not done long since. However, the amount of relief that has been brought to the starving people of Nigeria to date by means of the aircraft has not been great. There has been one difficulty after another, and various reasons have been given. In view of the reluctant procedures the government indicated earlier it will take to come to grips with the problem of bringing relief to the starving people of Biafra, it is very difficult for me and those of us on this side of the house to be convinced that this government is really trying, with full determination, to solve these problems which stand in the way of bringing relief to these people in Nigeria, particularly in the Biafran area. We must come to the conclusion that there seems little likelihood that enough food and assistance will be taken to Biafra to eliminate the suffering and starvation, unless the fighting is stopped and a peaceful solution worked out.

• (8:30 p.m.)

The Prime Minister and spokesmen on the other side of the house seem to take the position that this is a civil dispute, and that the recognized government of Nigeria has the right to use force to prevent secession. Let me say first of all that I do not believe for a moment that Canada should attempt to impose a solution.

There has been a great deal of confusion created by the use of certain words. The Prime Minister and the government are very right in insisting that Canada ought not to become involved in this war, and certainly ought not to sell arms in this connection. When hon. members opposite use words such as sovereignty and intervention, the situation can rapidly become very confusing. The Prime Minister, for example, said today that the United Nations ought not to intervene in the dispute, except under very extreme circumstances. He then went on to say that, even in connection with South Africa, African nations had not suggested arms intervention. In other words, he was suggesting that an intervention or interference of any sort must mean an arms intervention. Let me make it perfectly clear that I am not suggesting for a moment any form of arms intervention, and that when people talk about this they in effect create a red herring.

We should discuss among ourselves the meaning of these words and terms we use. Otherwise we only create more confusion. What is intervention in Nigeria? Are we intervening in some improper way in the

affairs of Nigeria if we place this matter before the United Nations? Is that an improper intervention or interference with the rights of a sovereign nation? Are we interfering improperly if we try to bring about a cessation of the shipment of arms into Nigeria? Is this an intervention, or is it inconsistent with the exercising of sovereign rights of a country? Is it an improper interference with the sovereignty of a country, in this case Nigeria, to bring about in concert with other countries some pressure toward a negotiated settlement or understanding?

What I am suggesting is that we must not just use words like sovereignty, interference or intervention without defining meanings. I agree immediately that we should not interfere by shipping in arms, but are we and would we be endangering the whole structure of international order by taking an initiative, in co-operation with other countries, to bring about the cessation of the shipment of arms, or by taking some initiative in the United Nations to bring some pressure to bear to stop the fighting, and effect an ultimate peaceful settlement? My hon. friends opposite have suggested that this would be intervening, or could constitute an improper intervention or interference under international law. The suggestion has been made that, somehow or other, because there is a civil war, these people have a perfect right to fight it out and no one has the right to interfere. The suggestion has been made that interfering in any sense of the word is an act which might endanger the whole structure of international law and international order.

I agree that the sole test to be used by the government of Canada in respect of any particular proposal can be found in the question, will it reduce the suffering and achieve a peaceful settlement without bringing about worse consequences? When we ask ourselves whether the means employed by the government with regard to bringing aid to the suffering people, or in working toward a peaceful settlement, have been effective in either respect, I believe any honest man, regardless of his politics, has to say no, the government has not been effective in this regard. We must come to the conclusion that it has not effectively or substantially reduced suffering, and certainly has not effectively advanced measures to bring about the cessation of hostilities or the initiation of a settlement of an enduring nature.

The Prime Minister asked that these programs be judged on the basis of effectiveness.

[Mr. Stanfield.]

Unfortunately we have to say that so far these measures have been ineffective. I shall not keep the Secretary of State for External Affairs (Mr. Sharp) waiting long, but I hope as soon as I sit down he will propose some effective measures to achieve either or both of these goals.

What is meant by acting wisely? What does the Prime Minister mean when he asks us to judge whether the government has acted correctly and wisely toward this problem? Does this mean prudently, from the point of view of the interests of Canada? What does it mean when we are asked to use wisdom in connection with the deaths of thousands of people each day? What is the test of wisdom under these circumstances? What is the test of wisdom when we know that thousands of people are dying today, that the fighting is continuing with no prospect of an early termination, and when we know also that arms are being shipped to both sides, and other large powers are threatening to intervene?

• (8:40 p.m.)

What is the wisdom, in those circumstances? The Prime Minister has warned the country against becoming involved in another Viet Nam. I do not think that is relevant. I lived through the 1930's. I think the Spanish civil war is much more relevant. It is by no means a complete parallel, but there you had a civil war in which the League of Nations and civilized society felt unable to intervene and bring about any sort of settlement. On the one side the fascists, and on the other side different powers, were shipping in arms. The result was a bitter, prolonged civil war that not only tore apart Spain, but also the rest of the world. I am not suggesting that the present terrible suffering in Biafra and Nigeria will develop into something comparable to Spain in the 1930's; but the fact is that the fighting is continuing, power on both sides of the dispute is becoming greater, arms are being shipped into that country, and at the moment there appears to be far more prospect of escalation than of de-escalation.

In these circumstances, what is wisdom? That is a question I direct through you, Mr. Speaker, to the Secretary of State for External Affairs, who bears the very heavy responsibility of recommending the appropriate policy for the government of Canada. What has the government accomplished to date? There has been delay in acting. There appears to have been a lack of enthusiasm. I think we have to say that had the government acted

earlier, more aid would have been possible. It seems to me there is no way of terminating the suffering without in some way bringing about a termination of the fighting. I have to ask this question, and I think most of us in this world must ask it of ourselves: Must we all sit back while thousands die and the world is faced with the prospect of growing bitterness and real danger as a result?

An hon. member to your right, Mr. Speaker, suggested this was a civil war; that they had a perfect right to fight it out without interference from outside. I ask: Is the civilized world faced with no alternative but to sit back, perhaps try to get some aid in there, but to refrain from taking any initiatives with regard to the cessation of the shipment of arms? Must the civilized world refrain from taking any initiative to bring the matter before the United Nations? Canada could have had the matter brought before the United Nations in the summer, without the large number of supporting countries to which the Prime Minister referred this afternoon. Is the civilized world compelled to sit back? Has it no alternative but to accept the view that any initiative of this sort is an interference with the "sovereignty" of a country and a danger to international order?

I do not accept that view. I am as anxious as the next fellow to preserve and build international order.

I think we must proceed in a regular and proper way. But I do not think this compels the world or Canada to refrain from taking proper initiatives. I do not think it is an improper interference on the part of Canada to try to bring about, in consultation with the United States, Russia, France, Great Britain and other countries, a cessation of the shipment of arms; to try to bring about, also, conditions which will lead to the fighting being stopped.

I do not think we have to accept that position. I hope it is not really the position of the government of Canada. We are talking about a country with a colonial background, created, with the best hopes and intentions in the world, under the leadership of Great Britain. Is the world compelled to sit back and watch them fight it out? On the other hand, is it not more constructive for Canada to join with other countries, through the United Nations or any legitimate means open to us, and in concert, to use the United Nations and our good offices to bring about a cessation of the shipment of arms and the real peace that must come through a settlement?

I hope nobody believes it is possible for a government to impose in any enduring way an arrangement or settlement through force upon any substantial number of people in a country. There has in the end to be a settlement of the dispute. I do not want to be unfair, but on the other hand I want to put it bluntly and frankly. I suggest in all sincerity that the government should stop looking for excuses. The Prime Minister said that Canada wanted to be, and would be, friendly with the people of Nigeria long after this dispute is ended. The way things are going now, because of what is happening in Nigeria there will be a great many people in this world with whom Canadians will find it very difficult to be friendly, at the rate people are dying in that country.

Without being maudlin about it, Mr. Speaker, I suggest that the attitude of the government should be: Stop looking for excuses; stop using concepts to serve our own purposes and justify our positions. As I resume my seat I am looking forward to the Secretary of State for External Affairs making some positive suggestions or proposals whereby Canada can offer leadership to the world and take some initiative which will lead in a proper way and without any danger to the international structure of society, to the termination of this dreadful slaughter.

Mr. Lorne Nystrom (Yorkton-Melville): At the outset, Mr. Speaker, I would say that I concur with most of what was said by the hon. member for Greenwood (Mr. Brewin) and the hon. member for Egmont (Mr. MacDonald). I will not go into many of the details of the trip we just made to Nigeria-Biafra; my colleague the hon. member for Cochrane (Mr. Stewart) mentioned the different places we visited and the many things we saw.

I am rising to participate in this debate because of a great feeling of personal conviction, responsibility and concern for what is happening in Nigeria-Biafra. I have just returned from that country and have experienced a great deal of the suffering that is going on there. We all know that many people are dying. If anybody doubts this, all he has to do is go to Biafra for a few hours. I have pictures on my desk and many more in my office which illustrate the suffering in that country, and I invite anybody to see them at any time. I have pictures of Biafran children who are starving to death, not only Ibo children but those of different ethnic tribes in Nigeria-Biafra.

External Aid

• (8:50 p.m.)

I have seen much of the death, turmoil, insecurity and fear that today possesses the people in this part of Africa. When I was in Biafra and after I came back here I asked myself several questions. I did so, for example, in the midst of about 4,000 little children under the age of 10 who, as my colleague said, were standing with their little soup bowls out, looking at us with their big brown eyes and asking us to help to end this war if we possibly could. I said to myself then that the world stands idly by doing virtually nothing. I also asked myself how civilized is mankind. Does mankind only have a thin ring of civilization that encircles it, and once removed it is basically selfish? I also asked myself how international mankind is. Do we have an international spirit and an international feeling?

I hope that I am speaking basically from an international perspective tonight. I hope that I realize inside of myself that all men are basically brothers regardless of their race, the colour of their skin, their origin or their religion. I seriously believe that this is not an isolated problem but one which should concern the whole world. For example, the symptoms of the Nigerian-Biafran disease do not only exist in Nigeria and Biafra but exist around the world. These are the symptoms of discrimination, the symptoms experienced by the powerless and underprivileged people. We see this in all corners of the world. These are the problems of hunger, of starvation, the massacres and mutilations, and the fears and insecurity. But perhaps more than anything else we see the problem of helplessness all around the world. It exists right here in the urban ghettos of Canada, on many of the Indian reserves and among the smaller farmers in western Canada as well as among the working people and the young people.

As I said, the situation in Nigeria and Biafra is an international problem. It is not, as some people like to think, an African or a purely Nigerian problem. It is a problem which concerns each and every one of us. I think it is time that we as human beings and as members of the international community started to talk in international terms. It is time we started thinking that we are brothers and that we are all members of the great human race. It is time we started thinking that African problems are as relevant to us here in Canada as Canadian problems are relevant in Asia or Africa. It reminds me of the saying which goes something like this:

[Mr. Nystrom.]

"Do not ask for whom the bell tolls; it tolls for thee." This is our problem which we all have to share together, for every problem of humanity is a problem for you and me.

The Prime Minister is talking of the new politics. I think a very important part of the new politics is the human concern and the human understanding for all peoples, regardless of their background. It is a concern to eradicate war and to find peaceful solutions for the problems that plague mankind. It is the concern to eradicate mistrust, insecurity, ignorance, poverty and disease from the face of the earth.

A few years ago U Thant said that as long as two thirds of the world's population is either starving or living in a state of deprivation or hardship we cannot have peace. I agree with this, and I think we have to promote understanding, brotherhood and progress among mankind. People are starting to talk this way because in the society in which we are living there is a feeling of concern, which also exists among members of this house, to really do something to end the suffering in Nigeria and Biafra. I think the Secretary of State for External Affairs, especially at the outset of this conflict, showed some kind of humanitarian concern; but the Prime Minister put his foot down and stopped the minister from doing anything about it.

So basically, the responsibility is on the Prime Minister of this country. It is a terrible responsibility for he must do a number of things. He must be bold and he must try some new things instead of relying on the old wishy-washy type of philosophy, sitting back in the corner debating legal technicalities and interpretations of international law.

The Prime Minister must show us some of the new politics and a new determination. He must bring Canada into the forefront in this international conflict in the search for peace and understanding. If he does not do things like this, then a few months or a year or two from now he must not ask why we have alienation and frustration in our society. He must not ask why more and more people are losing faith in the democratic process as it exists in our contemporary society because people are fed up with not getting results from governments. This will be a crucial test for the Prime Minister, for the government and indeed for our political system.

Canada can take the lead in ending this war and it must take the initiative. I think this is the greatest of all humanitarian acts that Canada can perform at this time. The

need in Nigeria and Biafra, as I see it, is not merely to feed the starving people but to bring this barbaric war and conflict to an end. Regardless of the political history and contemporary circumstances that surround the Nigerian-Biafran war, and regardless of the legal technicalities and complexities of international law, people are dying by tens of thousands. The situation is of crisis proportion and has all the symptoms of worsening in the future. Today there is no communication whatsoever between the two warring parties, the Biafrans calling for a sovereign state and for separation and the Nigerians who are equally vocal in claiming a federal and single Nigeria.

One very important, and perhaps the most important, observation we made is that Canada has the trust and respect of both sides, more so than any one country in the world except perhaps Sweden, Switzerland or a country of that nature. Therefore, Canada not only has an opportunity but a moral duty to mankind, and a moral commitment to try to end this war. We cannot sit idly by twiddling our thumbs. This is not just an African problem but a tragedy of the human race. It is up to Canada to take the lead in this humanitarian course and to pressure the world to follow suit.

Thousands of people are dying of starvation every day. The lowest estimate came from one of the doctors at Queen Elizabeth hospital in Umuhia. He estimated the figure to be 3,000 a day. This is the lowest estimate. We heard estimates of up to 10,000 and more each and every day in Biafra. Even 4,000 or 5,000 dying a day would be pretty shocking. Most of the people I asked were doctors, nurses, priests and people involved in relief work. The majority of the people starving are children, although a substantial number of older people are also victims of starvation and malnutrition. Most of the starvation is the result of protein deficiency. Biafran doctors and relief workers told us that the situation has improved since the airlift of supplies has begun. They say people are now making improvements. As confirmation of this we were taken to one of a number of sick bays just outside Umuhia to see the progress of the children as a result of the relief. These children are now up and around although only a few weeks ago their feeble bodies were balancing between life and death. This visual progress of these children helps to restore in us a bit of faith in the human race, but it also proves what can be done to save thousands and thousands more lives if Canada can make a more determined effort to help in this tragedy.

The tragic part is that by the beginning of the new year the natural crops of Biafra will be depleted. These crops, banana, yam, gari, are the basic foodstuffs upon which the people have been living for the past year. They are, as well, basically carbohydrates and bulk foods. Unless something drastic is done now, tens of thousands of people literally will be dying each and every day in Biafra. As a member of the United Nations put it recently, we will have a massive famine in the real sense of the word.

• (9:00 p.m.)

As members of the human race, we have a moral commitment to assist these unfortunate people. Until day flights are commenced, we must fly at night. The churches and the Red Cross organization make flights at night. If I knew that it would help, I would volunteer to fly in every Canadian Hercules that goes into Biafra in order to save lives. This is something we have to do. Without doubt, there are massive deaths of civilians in Biafra. We saw victims of bombing raids, most of whom were children. We talked with person after person who spoke of atrocities committed against them. Every Biafran with whom I spoke told me of a relative or a close friend who had been massacred by the Nigerian people. We were shown testimonies signed by priests relating bombing of feeding stations, refugee camps and hospitals, marketplaces and innocent villagers.

We were shown a village that had been bombed a few weeks before. A Catholic priest told us of a feeding post that had been bombed. He said that 8,000 people were crowded into the centre of this place when a bomber passed over, circled back and dropped three bombs. It then strafed these people. This was not a military target. He also showed us a Catholic hospital that had been bombed. We visited a Red Cross hospital that had been bombed. The officials there were considering removing the Red Cross from the lawn, as they thought this would only be a target if it remained. As my colleague said, there have also been atrocities committed by the Biafrans. This only points up the fact that this is an extremely barbaric war and we must end it as soon as possible.

I could go on talking about the different things we saw and experienced. I could talk about the number of feeding camps we saw. One morning, for example, we visited a

group of 5,000 children. This same morning we saw a camp composed of 3,500 women who were either pregnant or nursing, who came there for their iron pill and for a little bit of stock fish. My colleague mentioned this as well. I think, in the light of the suffering and death of the people of this area and the short term of relief supplies, the necessary solution must be political. This is where Canada can make a real contribution to the world on the humanitarian side.

I should like to offer a few recommendations to the Secretary of State for External Affairs (Mr. Sharp). First of all, I would say that these recommendations are the result of our findings. I feel that Canada should offer herself as the mediator in a ceasefire. The Prime Minister (Mr. Trudeau), himself, could make this offer on behalf of Canada. Second, because of Britain's involvement in the war and the influence the commonwealth could have in motivating a ceasefire and settlement, Canada must make every effort to have the situation fully discussed as the first priority at the commonwealth conference in London in January. This will be especially important if nothing is done between now and January. I cannot help but emphasize the fact we have to act now because if we do not, by the beginning of January people will probably be dying by the tens of thousands.

The third recommendation I should like to make is that, even though past efforts have in a large measure been futile in moving the United Nations to act, I think we have to continue to pressure the United Nations into seeing this as an international problem which demands immediate action by the world community. Fourth, because of the anticipated shortage of carbohydrates, Canada must do all in her power to provide relief supplies for Biafra. The problem is not so much one of food or money or people, but one of transportation. I feel therefore we should lend at least two more Hercules aircraft to the people who would take these supplies into this country.

As a final recommendation, I say the government should encourage private citizens, especially medical personnel and volunteers, to help in relief work, to help alleviate the suffering in the desperate areas of Nigeria and Biafra. I do not want to take up too much of the time of the house, so I should like to conclude by saying that, as a member of the international community and the human race, I sincerely feel Canada has a moral obligation to take the initiative in solving this great human tragedy. This conflict is an international problem; it has to be an international problem. Canada cannot afford to lock it away in a closet and forget about it. If we do, then this terrible tragedy will become a scar upon the conscience of a nation that had the opportunity to act, but failed to do so. Mr. Speaker, I beg the government not to allow this to happen, but to help as much as we can immediately.

[Mr. Nystrom.]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, in rising to speak as this debate nears an end I should like to reassure the members of the house that I do not intend to go again in detail over ground that has been covered by other speakers. May I congratulate all of those on all sides of this house who have taken part in this debate upon the very high level of the contributions they have made. If any evidence were needed of the concern of the people of Canada about this tragic war in Nigeria, that evidence is to be found in the speeches made by the representatives of the Canadian people in parliament. We have no reason to apologize, it seems to me, for spending a day talking about this tragic situation.

The civil war in Nigeria has presented both human and political problems of a high order. The humanitarian problem has been one of amassing vast quantities of food and other assistance for those in need as a result of the hostilities. A great effort, and I think this will be agreed upon on all sides, has been made by the International Red Cross and by other International and national bodies to alleviate the suffering. It is seldom that people of the world have gathered so much in a voluntary way, and amongst governments, for relief of the suffering in a country which has been torn by civil war. But more will be needed as long as the war continues. I can assure the house that Canada will continue to play an important part in this effort.

The political problem is more delicate because, as has been made clear, this is a civil war. There will have to be a readiness by all parties to compromise if a negotiated settlement is to be reached. We in Canada would of course be ready to facilitate the peace keeping if there were any indication whatever that this would help bring an end to the war. Let us be frank about this. What has been missing so far is not more mediators—there are lots of those—but an indication from both sides that they are willing to participate in meaningful negotiations. The Commonwealth Secretary General, the Organization for African Unity, both stand ready at a

moment's notice to assist in the negotiating process. All they are waiting for is word from both parties that they are prepared to make the concessions necessary to get meaningful negotiations under way. As has been said by many speakers, action by outsiders in a situation such as exists in Nigeria is of no value whatever unless it is effective. As the Prime Minister himself said at the opening of this debate, unless the action is responsive to the wishes of those directly involved it can produce hostile reactions.

• (9:10 p.m.)

Canada's whole policy toward African and other newly emerging countries in recent years has been built on a spirit of co-operation rather than intervention. African history is ripe with examples of domination and intervention by peoples from other continents, and Africans are rightly sensitive about their hard won sovereignty and their right to manage their own affairs.

Canada has earned a good name in Africa. Many speakers have mentioned this. They have said that Canada has a good reputation. Why do we have a good reputation?—because we observe these principles of co-operation and non-intervention. We have been able to make a positive contribution to developments on that continent. We have been welcome in the Commonwealth countries of Africa, and we have been welcome in the Francophone countries of Africa. We have been welcome because our policy has been to assist Africans and not to tell them how to run their affairs.

Canada's policy has therefore been recognized as sympathetic and disinterested. This government does not intend to change that policy regardless of emotional appeals, however well intentioned they may be, because I believe, and so I believe do all hon. members of this house, that if we were to abandon that policy we would become unacceptable and ineffective in the vast task that remains on that continent to overcome the problems of underdevelopment and to create viable political societies on that continent.

I am confident, Mr. Speaker, that the government will have the support not only of a majority of the members of this house—I hope of all hon. members—but of the overwhelming majority of the people of Canada in pursuing this course.

The government's responsibilities on the international scene are different from those of private organizations. In saying this I am not criticizing non-governmental groups operating in Nigeria or in other areas. The churches and other groups have done commendable work in bringing aid to the needy, and I join with many of the members who have spoken in praising their work. I support it. I hope that everybody in this house and that all Canadians will support the work of the churches. What I am saying is that governments must act as governments. For example, the Canadian government has chosen to funnel its food and transport aid in the Nigerian situation through the international committee of the Red Cross, the traditional organization for the assembly and distribution of assistance in difficult situations of this sort.

The international committee of the Red Cross has maintained working relations with the federal Nigerian authorities and with those in charge on the rebel side. It has the necessary support staff and organization on both sides. It has proven worthy of our support and continued co-operation, and I am quite sure that hon. members who spoke would not wish to reflect in any way on the excellent work done over years and years by the International Red Cross, and which is working so effectively in Nigeria.

The standing committee has made a most commendale examination of the many complex factors involved in this difficult situation. Its report contains recommendations in nine areas, and it might be useful if I commented briefly on those recommendations. We shall of course, be giving further study to the points made, and shall be pursuing them if this is feasible or desirable as the situation develops further. An indication of our views on them, however, may be helpful at this stage.

On the observer team the committee noted that the initial invitation for the observers was for two months, and suggested the government request the Nigerians to extend the duration of this invitation. In the interval since the committee's report was presented the Nigerians have in fact extended the operation of the team for a further month. We have been able to extend our participation accordingly and would expect further discussion of this and related questions at an appropriate time with the federal military government, and with those other countries and bodies participating in the observer team.

The question of whether the observers or a similar team should make observations on the rebel side is complicated by conflicting reports from the rebel authorities. I do not know whether the house is aware of some of the criticisms that have been made by the Biafran authorities—

Mr. Fairweather: And by Colonel Adekunle.

Mr. Sharp: Yes, that is right; but let me read how the Biafran commissioner of information described the observer team. He said, "We don't recognize the observer team. They are a bunch of crooks." It is difficult, under these circumstances, for there to be any particular welcome for that group of observers in Africa. We shall, however, continue to study the feasibility of this proposal.

To the extent that the committee's second recommendation deals with continuing and future Canadian assistance—

Mr. MacDonald (Egmont): On a point of order, Mr. Speaker, would the minister permit a question on the observer team?

Mr. Deputy Speaker: That is not a point of order. If the minister wishes to permit a question he is free to do so.

Mr. Sharp: My speech is not very long. I prefer to answer questions at the end.

Mr. MacDonald (Egmont): It is a short question with regard to whether or not any inquiries have been made—

Some hon. Members: Order.

Mr. Sharp: To the extent that the committee's second recommendation deals with continuing and future Canadian assistance to Nigeria, I can report that we are in regular contact with the World Bank and with interested governments. The World Bank currently has a team of experts in Nigeria studying economic projects and priorities, and we expect to have the benefit of the conclusions of this team when it returns. It is important to note that assessments of this kind in any country must be carried out with the concurrence of the government concerned, and I may add, Mr. Speaker, that in this respect the co-operation between Nigeria and the World Bank is proving to be very useful at this critical juncture.

In so far as the committee was referring to emergency food aid, the government has had constant advice from the international committee of the Red Cross both on the amounts needed and on the particular categories of food to be emphasized.

The question of land and sea corridors has been discussed in the committee and in this house. It is one of those items on which it has not been possible for the two sides to agree, despite the best efforts of the relief agencies. I am sure we all regret this because it is quite clear, as was pointed out by one of the speakers in the far corner who said, "I would take planes moving in at about one a minute to supply the food that will probably be needed," and what we need will probably be land corridors. I regret, as I am sure do all hon. members, the fact that it has not been possible to work this out. I hope it still will be possible. Most of all I hope that the war will be over.

The committee's proposal for international machinery to aid innocent civilian victims of hostilities is one I supported at the United Nations. The house may recall, and the members who were observers at the United Nations General Assembly will remember that I made specific recommendations along these lines. These are now being discussed with other governments, and I hope will result in some positive action.

• (9:20 p.m.)

The committee's third recommendation relates to the continuation of our emergency aid to the victims of the hostilities. The government has intensified its efforts to be of assistance in the humanitarian sphere. I wish to announce, Mr. Speaker, that we have made a further allocation of food aid to Nigerian-Biafra in the amount of $1,600,000. A shipment will be made early in the new year.

Mr. Lewis: To both sides?

Mr. Sharp: This aid will be distributed, as the other food aid was, to both sides. When we made our shipment on the vessel that left some time ago—and the vessel arrived recently—it was decided that the food was to go to various bases so that it could be moved either into the rebel areas or into the areas controlled by the Nigerian government. The planning we have undertaken has followed consultations with the Red Cross and other contributors in order that the delivery of our supplies could fit in with their plans.

As to the airlift into rebel territories, it is obvious that daylight operations would permit the delivery of much larger quantities of relief. The Prime Minister therefore appealed to the rebel authorities to agree to daylight flights. I earnestly hope that Colonel Ojukwu will give his consent without further delay. It is tragic that food should be waiting to be moved in to feed hungry children, and is being held up because the necessary authority has not been granted for the movement. As to relief operations on the federal side, Canadian Caribou aircraft have been offered through

the Canadian Red Cross society, and we await confirmation from the Nigerian Red Cross that they can be put to effective use.

In all these efforts we have worked closely with and relied heavily on the International Red Cross and the Canadian Red Cross society. We are grateful for their help and advice.

The committee proposed that we should offer, in concert with other interested governments, to provide non-military assistance in building a civil airstrip for the exclusive use of relief flights. This is a useful proposal which will be explored, along with others, in preparing further development of our aid program to Nigeria. For the immediate future we have considered it better to use the facilities already existing and, for example, just recently we offered the lighter Caribou aircraft for use in federal held territory, since the Hercules is too heavy for the forward airfields.

An hon. Member: Do you really believe that?

Mr. Sharp: Yes, I believe it, and I have evidence to justify that belief.

Mr. MacDonald (Egmont): That is nonsense.

Mr. Sharp: If we had any evidence to show that Hercules aircraft could be landed more than once or twice on any of these airstrips, they would be flying there.

Mr. MacDonald (Egmont): What about an airdrop?

Mr. Sharp: An air drop is a different question. I am talking of using Hercules aircraft on airstrips. The hon. gentleman said that my contention was nonsense. He ought to know that he is speaking nonsense.

Mr. MacDonald (Egmont): Not at all.

Mr. Sharp: The evidence we have is that if Hercules aircraft could land more than two or three times on those airstrips, they would be flying to them today. They have been offered for that purpose. There is no other reason for them not to be available.

Mr. Fairweather: Why do they not land two or three times, then?

Mr. Sharp: Because they will destroy the airstrips.

The Leader of the Opposition, Mr. Speaker, appealed to the house to debate this matter seriously. I am trying to put the facts before the house in a serious manner. It has been said on a number of occasions that the Canadian government would like to have the Hercules aircraft fly into Nigerian territory and into Biafran territory. They are not flying to Biafran territory because we cannot obtain agreement from the rebels, and they are not flying into Nigeria because there are no airstrips suitable for that size of aircraft.

I hope Colonel Ojukwu is listening when the Prime Minister of the country makes an appeal. I hope he responds quickly so that we may help to feed these people that my hon. friends are speaking about so frequently.

Mr. Lewis: Why don't you send aid?

Mr. Sharp: I am quite sure that Colonel Ojukwu and his government know exactly what the Prime Minister of Canada has said so eloquently in this house.

An hon. Member: How could he know that?

Mr. Trudeau: By listening to the opposition, obviously.

Mr. Speaker: Order, please. Perhaps the minister might be allowed to continue his speech.

Mr. Sharp: The government heartily endorses the committee's appeal to all Canadians to support the relief effort with their contributions. With the new allocation I have mentioned the government's contributions to relief and transport activities now come close to $3 million.

The committee's sixth recommendation deals with assistance to children from stricken areas. The Canadian Hercules aircraft stationed on the island of Fernando Po has been authorized to transport refugees to other neighbouring countries which are ready to welcome them. These people have been brought out from the rebel area by the Red Cross in order that they can be given better care. The government has been happy to assist the International Red Cross in moving them to other countries. As to bringing children from the rebel area to Canada, the government does not think it wise to press this idea in the face of the adverse views of those directly concerned.

The government accepts the committee's view that Canada should not sell arms to either side in this conflict. Indeed, as hon. members know, that has been the government's policy throughout.

In its eighth recommendation the committee urged the government to intensify its efforts to persuade the parties to accept mediation. The caution attached by the committee to this point is sound: that we should not operate in such a way as to jeopardize the effectiveness of our relief efforts. There are, as we have said, limitations on the government's action on this essentially political question; but I can assure the house that within these limits we shall work strenuously for a peaceful settlement of this dispute.

An hon. Member: Words, words.

Mr. Sharp: On the proposal that Canada should contribute to an eventual peacekeeping force in Nigeria, I think it is premature to offer comment before a settlement or ceasefire has been achieved or before the terms of any peacekeeping operation are known. I may add this, however: As is well known, Canada has always taken a positive look at peacekeeping proposals, and I can assure the house that any proposals in respect of the Nigerian situation will be given prompt and careful consideration by the government.

An amendment has been proposed to the committee's report, Mr. Speaker, which would oblige the government to take this question to the United Nations, to the General Assembly or to the Third Committee. As the Prime Minister explained this afternoon, and as has been made clear before, following intensive study of the matter we have come to the conclusion that this is neither a practical nor a useful initiative. Any proposal to have the matter discussed at the United Nations would not gain more than minimal support. For that reason alone an initiative would not be effective and would have no helpful influence on the situation. Moreover, if we were to press on regardless of the lack of support, Canada's position in the world body would be affected and the possibility of our taking useful steps on this or other matters would be seriously reduced.

In opening this debate this afternoon the Prime Minister spoke these words, with which I concur entirely:

> —I remain convinced that an attempt to inscribe the Nigerian conflict on the agenda of the General Assembly would not only be bitterly resented by the Nigerian government and the member states of the Organization of African Unity, but would also be totally unsuccessful—

He also said:

> Should we attempt to employ a General Assembly committee for such a discussion, conceding for the moment that we could do so, which is not entirely clear, our efforts would prove not only divisive but totally counter-productive.

I am asking, in the face of these statements, do hon. members think we should persist when the consequences of our actions would be those put forward today by the Prime Minister?

An hon. Member: You must prove that.

Mr. Sharp: The Prime Minister said that we would incur the hostility and opposition of African states, and that would jeopardize our policy of dealing with the situation effectively. We would probably be told that we were not welcome in providing relief assistance in Nigeria, and our observer would probably be told to go home. Is that what hon. members opposite want? Presumably it is, if they persist in making these statements.

An hon. Member: Nonsense.

• (9:30 p.m.)

Mr. Sharp: And now may I comment on the suggestion that we should intervene to press Britain, the U.S.S.R. and others to cease their sales of arms to the participants in this war? I am sure this house would be gratified if all the countries currently supplying arms to the two sides would cease to do so, and if I thought that action by Canada would accomplish this, I would not hesitate to propose it. This is, however, a matter of policy for each government to establish for itself. It is well known that the French government has denied it provides arms to the rebels. Moreover I ask the members of the house this question: Would the situation be improved if external pressure caused the British government to cease all its arms supplies to Nigeria, leaving the field open to the U.S.S.R. to become its principal source?

I should like to refer again to the hope, widely felt by the Canadian people, that this civil war can be brought to an end. I said earlier that the achievement of a peaceful negotiated settlement does not depend on the provision of facilities or the making of proposals by outsiders. Canada stands ready to be of assistance if that would be helpful; and I hope that the responsible course we have followed enhances the possibility of our playing a useful role. Whether any progress can be made toward peace depends, however, on the parties to the dispute. In particular, in my view, it depends on the Nigerian government providing sufficiently convincing guarantees to the Ibos of their security after the conclusion of hostilities, and on the willingness of the rebels to envisage a negotiated

settlement short of complete independence from Nigeria. To advocate a negotiated settlement and secession is a contradiction in terms. I would therefore urge those Canadians who have influence with the rebel side—

An hon. Member: Who are they?

Mr. Trudeau: The churches.

Mr. Sharp: —both in this house and outside, to press them toward conciliation, and thus toward a peaceful settlement. And I call on the parties to this tragic civil war to show their willingness to negotiate positively, in order that with the assistance of the O.A.U. or the Commonwealth Secretariat, a peaceful settlement can be achieved.

In conclusion may I restate the basic principles which have guided the Canadian government's policy in this matter and which will continue to guide that policy:

1. The government will continue to provide assistance generously to meet the needs of the people of Nigeria as a whole;

2. We will maintain close liaison with the legitimate government of Nigeria in order to provide relief to the population under its control;

3. We will continue to urge the secessionist authorities to co-operate in arrangements acceptable to the Nigerian government for the relief of the population under rebel control;

4. The government will be ready, when this tragic conflict is over, to co-operate with the Nigerian government in the important tasks of reconstruction and rehabilitation it will face;

5. We will work toward a better international legal framework within which humanitarian assistance can be provided to people affected by civil conflict;

6. The government will not violate international law by supporting or endorsing any move, bilateral or multilateral, which will constitute intervention in Nigerian internal affairs;

7. We will continue to call upon both sides in the conflict to negotiate their differences;

8. The government will vigorously support any conciliation effort which may develop under the auspices of the O.A.U., the Commonwealth Secretariat or any other body acceptable to the parties;

9. We will stand ready to assist, if so desired by both parties, in promoting a negotiated settlement.

Mr. Stanfield: The minister indicated he would answer questions when he had finished. I wonder whether he would indicate what he meant when he said this government would establish a better international framework to deal with civil conflicts, and whether he would indicate when he proposes to start on this, if not tomorrow?

Mr. Sharp: This has already been started. The words I used were: "We will work toward a better international legal framework within which humanitarian assistance can be provided to peoples affected by civil conflict." That is what we are doing in the United Nations today.

Some hon. Members: Hear, hear.

Mr. MacDonald (Egmont): In connection with the minister's remarks about the observer team, I was wondering whether the suggestion had been explored that the team should be expanded, as Nigeria has requested, and that it should use its own vehicles, with the possibility of seeing all the areas presently involved in the conflict. The minister did not say whether inquiries had been made in this direction.

Mr. Sharp: The hon. member may recall that when the team itself suggested that its operations should be expanded I supported that idea in a cable to the authorities in Lagos.

Mr. MacDonald (Egmont): Would the minister answer the other part of the question with regard to the vehicles and the expansion of the team?

Mr. Sharp: We made it clear we would be prepared to help in that respect.

Mr. Brewin: Has the minister made inquiries into the question of whether the airport at Calabar, in eastern Nigeria, a region presently occupied by the federal forces, is not perfectly capable of accepting Hercules aircraft on frequent and repeated flights? It is one of the major international airports there.

Mr. Sharp: Yes, Mr. Speaker. Before I came to the house today I asked the Minister of National Defence (Mr. Cadieux) if he would give me an account of the position there, and I shall read the relevant sentence:

Beginning 17 October, the Canadian reconnaissance team was permitted a survey of Calabar and Enugu airfields in Nigeria. Calabar was found to be acceptable by the Canadian team for limited

Hercules operations. However, sustained operations would have seriously damaged the runway which was not acceptable to the FMG.

Mr. Speaker: I see that the acting leader of the New Democratic party is seeking the floor in competition with the hon. member from Hamilton-Wentworth (Mr. Gibson). I have to take into account the number of speakers from the different parties who have taken part in the debate, and in view of this I am inclined to recognize the hon. member for Hamilton-Wentworth.

• (9:40 p.m.)

Mr. Colin D. Gibson (Hamilton-Wentworth): Mr. Speaker, Canada should in my view continue its policy of non-political intervention so lucidly and forcibly expressed by the Prime Minister (Mr. Trudeau) during the debate earlier today and by the Secretary of State for External Affairs (Mr. Sharp), whom we are all glad to see back in the house after his strenuous and successful travels around the world in the interest of world peace.

[*Translation*]

Mr. Speaker, may I also tell you, in the beautiful French language, one of the two I know—not the second, for they are equal in all respects—that Canadian diplomacy, for all Canada, is that of the right hon. Prime Minister (Mr. Trudeau) who really understands the role our country plays in the world today.

[*English*]

Mr. Speaker, the facts now indicate, in my opinion, that the Nigerian-Biafran issue is a politically contrived issue calculated to be used for the propaganda purposes of the opposition.

Some hon. Members: Oh, oh.

Some hon. Members: Hear, hear.

Mr. Gibson: Because the opposition has been totally lacking any substantive issue on which to badger the government, it has picked this issue involving a country many thousand miles away from Canada through which to voice their pent-up frustrations. It is quite clear that the learned Secretary of State for External Affairs (Mr. Sharp) has clearly faced these issues.

As a young member of this party I attended recently at the United Nations as a delegate. It was with some concern that I noticed, when talking about matters with Nigerians, that in their conversation they exhibited some wonderment and dismay. Fortunately the delegation from Canada included representatives from all parties in the house and we were able to convince the Nigerian representatives that the adverse impressions they had gained originated in a splinter group in the House of Commons represented by the hon. member for Greenwood (Mr. Brewin).

Since the hon. member for Greenwood is a lawyer it is shocking to me that he would abandon all legal principles of international law. It is interesting to see how he can scrap these hard won principles when grasping for alleged political patronage. He has lost the feeling of the nation, and somehow has become the spokesman for some minority group in Africa, an unauthorized country, a country without sanction.

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

Mr. Speaker: Order, please. The hon. member for Greenwood on a question of privilege.

Mr. Brewin: Mr. Speaker, the hon. member just suggested that I represent some minority in Africa. I should like to remind him that I am trying my best to do something for nine million starving people in Africa.

Mr. Speaker: Order, please. It being 9.45 o'clock, it is my duty, pursuant to special order made on Wednesday, November 6, 1968, to interrupt these proceedings and put forthwith the question on the amendment now before the house.

The house divided on the amendment (Mr. Fairweather) which was negatived on the following division:

YEAS

Messrs:

Alexander
Asselin
Baldwin
Beaudoin
Bell
Benjamin
Bigg
Brewin
Broadbent
Burton
Cadieu (Meadow Lake)
Comeau
Crouse
Danforth
Dinsdale
Downey
Fairweather
Flemming
Forrestall
Gilbert
Gleave
Godin
Gundlock
Hales
Harding
Harkness
Howard (Skeena)
Howe
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Bellechasse)
Lambert (Edmonton West)
Laprise
La Salle
Latulippe
Lewis
Lundrigan
MacDonald (Egmont)
MacEwan
MacInnis (Cape Breton-East Richmond)

Division

MacInnis (Mrs.) (Vancouver-Kingsway)
MacLean
MacRae
McCleave
McQuaid
Mather
Matte
Mazankowski
Monteith
Moore
Moores
Nesbitt
Nowlan
Nystrom
Paproski
Peddle
Peters
Ritchie
Rodrigue
Rondeau
Rose
Rynard
Saltsman
Schreyer
Schumacher
Scott
Simpson
Skoberg
Southam
Stanfield
Stewart (Marquette)
Thomas (Moncton)
Thompson (Red Deer)
Thomson (Battleford-Kindersley)
Winch
Woolliams
Yewchuk—77.

NAYS

Messrs:

Allmand
Andras
Badanai
Barrett
Basford
Béchard
Benson
Blair
Blouin
Borrie
Breau
Brown
Caccia
Cafik
Cantin
Chappell
Clermont
Cobbe
Comtois
Corbin
Côté (Richelieu)
Crossman
Cullen
Cyr
Danson
Davis
Deachman
Deakon
Douglas
Dubé
Duquet
Émard
Forest
Forget
Foster
Francis
Gendron
Gibson
Gillespie
Givens
Goode
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hogarth
Honey
Hopkins
Howard (Okanagan Boundary)
Hymmen
Jamieson
Jerome
Kierans
Lachance
Laing (Vancouver South)
Lang (Saskatoon-Humboldt)
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lind
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
McIlraith
McNulty
Mahoney
Major
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Mongrain
Morison
Murphy
Noël
O'Connell
Osler
Ouellet
Penner
Pilon
Portelance
Pringle
Prud'homme
Reid
Richard
Richardson
Roberts
Robinson
Rochon
Roy (Timmins)
Roy (Laval)
Ryan
Serré
Sharp
Smerchanski
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
Sulatycky
Thomas (Maisonneuve)
Tolmie
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Wahn
Walker
Weatherhead
Whelan
Whiting
Yanakis—120.

Mr. Speaker: I declare the amendment lost. The question is now on the main motion. Is it the pleasure of the house to adopt the said motion?

Some hon. Members: On division.

Motion agreed to.

Mr. Speaker: This house stands adjourned until tomorrow at 2.30 p.m.

It being ten minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Wednesday, November 27, 1968

The house met at 2.30 p.m.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

SALARIES IN PUBLIC SERVICE, ARMED FORCES, ETC.

Question No. 43—**Mr. Lambert (Edmonton West):**

As of August 31, 1968, how many persons in the employ of (a) the Public Service of Canada (b) the Armed Services (c) Crown corporations or agencies, were being paid salary or pay and allowances, or emoluments in the following categories (i) $18,000-$20,000 per annum (ii) $20,000-$25,000 per annum (iii) $25,000-$35,000 per annum (iv) $35,000 and up per annum?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): (a) (i) 915; (ii) 770; (iii) 178; (iv) 39*.

* It is to be noted that almost all these persons are in the Department of External Affairs where the maximum salary for a person stationed abroad is $25,980, but where allowances are paid under the heads of post and foreign service regulations for official hospitality, higher living costs, etc. The same consideration applies, but to a smaller extent, to category (a) (iii) above.

(b) (i) 144; (ii) 117; (iii) 10; (iv) nil. (c) (i) 314; (ii) 241; (ii) 43; (iv) 4.

Air Canada, the Bank of Canada, the Canadian National Railways, the Cape Breton Development Corporation, the Industrial Development Bank, and Polymer Corporation advise that it has not been considered in the best interests of their respective corporations to disclose data on employees' earnings other than what is available through the Dominion Bureau of Statistics.

RENTAL SPACE IN OTTAWA FOR TRADE AND COMMERCE DEPARTMENT

Question No. 323—**Mr. Coates:**

1. Has the Department of Trade and Commerce rented or leased space in Tower "B" of the Place de Ville, Ottawa, and, if so, from whom, for what term and at what rate?

2. On what date was the Trade and Commerce Building completed, on what date did the Department move into this building and why is it necessary to secure additional space?

3. What was the total employment of the Department of Trade and Commerce when the new Trade and Commerce Building was opened and what is the present staff of the Department?

4. What is the dollar value, per annum, of the lease for the additional space in Tower "B" of the Place de Ville?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Public Works and Trade and Commerce as follows: 1. The Department of Public Works has rented 41,619 square feet of office space and 285 square feet of basement space in tower "B" of Place de Ville, Ottawa, for the Department of Trade and Commerce from Campeau Construction Company, 2932 Baseline Road, Ottawa, for a period of ten years commencing September 12, 1967 at the rate of approximately $4.82 and $2.00 per square foot per annum for office space and basement space respectively.

2. The trade and commerce building was completed in September 1958 and the staff of the Department of Trade and Commerce moved into the building in September 1958. It was necessary to secure this additional space to accommodate the expansion of that Department.

3. Total strength was 4242, however, a major portion of this total was not housed in the trade and commerce building. Present strength is 1877.

4. The value of the space leased for trade and commerce in tower "B" is $201,141.43.

COMMUNICATIONS TO U.S. RESPECTING DRAFT DODGERS

Question No. 328—**Mr. Roberts:**

1. Have Canadian authorities received notices from United States officials concerning United States draft dodgers or deserters, and also requesting Canada to inform American officials of attempts by such United States citizens to enter Canada?

2. For what period of time has this practice been followed?

3. Has the Minister of Manpower and Immigration instructed his officials not to circulate such notices?

Questions

4. If so, what was the date and content of these instructions?

5. If not, does the Minister intend to issue such instructions within the near future?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): 1. There is no arrangement in effect whereby Canadian authorities receive notices from United States officials asking to be informed of attempts to enter Canada by American draft dodgers or military deserters. Occasionally immigration officers at border ports of entry receive advance information regarding individuals who will be seeking entry to Canada. This information can be with respect to any prospective immigrant and is not specifically with regard either to draft dodgers or deserters. These persons are examined as to their admissibility under the Canadian Immigration Act. If admitted, no further action is taken. If ordered deported, the United States authorities are informed as they are in all cases of deportations to that country.

2. Incidents in which immigration officers have received such advance information have occurred as long as there have been border examination facilities.

3. No.

4. Not applicable.

5. No.

COST OF PERFORMING ARTS CENTRE

Question No. 379—**Mr. Mazankowski:**

1. What was the original estimate for the construction of the National Centre for the Performing Arts?

2. What is the present estimate for completion?

3. What is the breakdown of any increase over the original estimate?

Hon. Arthur Laing (Minister of Public Works): 1. $18,223,000.

2. $46,425,989.

3. Breakdown of increase:

	$
Building and associated work including parking garage and stage equipment	23,898,639
Consultants' fees	2,241,750
Visual arts program	113,600
Relocation of municipal services	400,000
Furnishings, cafe and restaurant equipment and miscellaneous equipment	1,549,000
Total	28,202,989

[Mr. Roberts.]

TRANSPORTATION COMMISSION OFFICES

Question No. 394—**Mr. Coates:**

1. Did the Canadian Transportation Commission move into new quarters or are they moving into new quarters and, if so, when?

2. What building is the Commission moving into, who is the owner, what is the amount of the space under lease, for what period of time and at what annual cost?

3. Are new furnishings to be provided for these offices and, if so, what will be the cost of furnishing these offices?

4. Will the renovation of these offices be the responsibility of the owner or the Commission and if the Commission, what will be the cost of these renovations?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Canadian Transport Commission and the Department of Public Works as follows:

1. The Canadian Transport Commission moved into new quarters in two stages, October 1968 and November 1968.

2. The building involved is located at 275 Slater Street, Ottawa, and is owned by Two Seven Five Realty Limited, 141 Laurier Avenue West, Ottawa. The commission occupies a portion of the total space of approximately 187,264 square feet being leased in this building by the Department of Public Works for a period of ten years at the annual rental of $898,868.

3. Yes; $43,675, of which $25,057 was for carpeting which could not be moved from buildings previously occupied.

4. The building is new so no renovation was needed. The purpose of moving to this building was to get all branches of the commission, originally housed in four different buildings, under one roof.

ILLEGAL GREEK IMMIGRANTS

Question No. 411—**Mr. McCleave:**

1. How many Greek nationals entered Canada illegally in 1967 and 1968 and, how many were (a) deported (b) allowed to remain?

2. Did any of the above seek refuge in Canada on political grounds and, if so, how many requests were (a) granted (b) refused?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Except in the case of seamen who are reported to the department as having deserted their vessels in Canadian ports, there is of course no way of knowing how many people may enter the country illegally in any given year until such time as

they may be apprehended or otherwise come to the attention of the department.

1. During 1967 and to date in 1968, 611 nationals of Greece are known to have deserted their vessels in Canada. Of this number, 273 were either apprehended or surrendered themselves voluntarily. Of these 273 persons, (a) 229 were deported and (b) 14 were allowed to remain. The remaining 30 were not ordered deported but left Canada voluntarily on their own initiative.

2. No figures are available.

PUBLIC RELATIONS FIRMS, EXPO '67

Question No. 478—**Mr. Mazankowski:**

Who were the public relations firms that shared in the $26,755,000 expended on public relations, by Expo '67, and (a) how much did each firm receive (b) in what years?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The Canadian Corporation for the 1967 World Exhibition reports that: It is to be noted that the amount of $26,755,000 refers to the cost of the whole public relations department and this amount was not expended on public relations only by the Expo Corporation. Out of this $26,755,000 budgeted for the public relations department, $2,410,000 was budgeted for public relations in Canada, the U.S.A. and overseas countries. The balance of approximately $24,345,000 covered domestic advertising, foreign advertising, promotions (posters, calendars, films etc.), displays, news media, information and administration cost of the department.

Of the $2,410,000 budgeted, a total of $2,099,422 was shared by the following public relations firms: Sydney Morel & Co. (U.S.A.), Robert Wolcott (U.S.A.), Eurelex (Europe), Mathers P.R. Ltd. (U.K.), Bruce Cochrane Assoc. (Maritimes) and Williams & Wilson (Western Canada).

The above mentioned firms received the following amounts for 1964, 1965, 1966 and 1967: (a) and (b)

Firm	1964 $	1965 $	1966 $	1967 $	Total $
Sydney Morel & Co.	105,562	210,054	119,221	—	431,837
Robert Wolcott	—	—	455,766	884,436	1,340,202
Eurelex	—	29,445	48,708	49,012	127,165
Mathers P.R. Ltd.	7,141	27,484	47,617	59,640	141,882
Bruce Cochrane Assoc.	—	—	7,100	25,140	32,240
Williams & Wilson	—	—	7,326	18,770	26,096
					2,099,422

IMMIGRATION APPLICATIONS FROM INDIA

Question No. 519—**Mr. Rose:**

Is there a backlog of applications for immigration to Canada from India and, if so, (a) was it created by limitations imposed in the Canada-India Agreement before October 1, 1967 (b) was it created by the substantially increased numbers of relatives acting as sponsors or nominators (c) has the government considered expanding the facilities of our New Delhi Immigration Office?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): There is a backlog of immigrant applications in the Canadian immigration office in New Delhi, India, all of which are in varying stages of process. The limitations of the Canada-India agreement and the number of new applications being received for sponsored dependants and nominated relatives are not the prime reasons for this situation. Such applications represent only about one quarter of the present backlog. The remainder is comprised of independent applications which are being received at the rate of between four to five thousand per month. In the past two years, the total Canadian and local staff in New Delhi has more than doubled. The situation there is under review to determine what further measures can be taken to improve the service to applicants.

CIVIL SERVANTS IN ENGLISH LANGUAGE COURSES

Question No. 548—**Mr. Isabelle:**

1. How many individuals in the federal Civil Service have received courses that would assist them in securing a working knowledge of the English language and of that number, how many are presently enrolled in such courses?

Questions

2. Of the number presently enrolled in English language courses (a) how many receive the courses while continuing with their employment (b) how many are receiving the courses while on leave of absence (c) how many on leave of absence have been granted leave for more than a period of one month?

3. Of the number enrolled in English language courses while continuing with their employment (a) how many are granted free time to take such courses (b) at the present time and for the present fiscal year, what is the number of man-hours lost to the federal Civil Service?

4. Of the number enrolled in English language courses who have obtained a leave of absence while taking the courses (a) how many are receiving their salary while taking these courses (b) what will be the estimated cost to the federal Treasury in the present fiscal year?

5. Of the number enrolled in English language courses who have obtained a leave of absence from their employment (a) how many have moved from Ottawa for such purposes (b) how many have also moved their families (c) was assistance given to those who moved their families by the federal government and, if so, what will be the total cost to the federal Treasury in the present fiscal year?

Hon. Gérard Pelletier (Secretary of State): I have been given the following information by the Public Service Commission: 1. (a) Since January 1, 1964, 2,550 public servants have attended English language courses in programs offered by the Public Service Commission. (b) On September 23, 1968, 260 public servants were attending English language courses conducted by the Public Service Commission.

2. Of the number enrolled as in 1(b) above: (a) all receive courses while continuing with their employment; (b) none were on leave of absence; (c) not applicable.

3. Of the number enrolled as in 1(b) above: all are granted time to take such courses. In addition to this time granted, many students are devoting up to 20 hours per week of their own time.

In the view of the commission, the training time spent by public servants is a gain rather than a loss to the Public Service of Canada. The time devoted to training by the 260 public servants now attending English language courses is 2,070 man-hours per day, of which 675 hours will be on their own time. Students will attend classes for periods of 13 to 35 days depending on the level of instruction and the needs of the individuals; thus the total man-hours that will be devoted by these public servants to English language training during the present fiscal year will not be known until the close of the year.

4. See 2(b) above.

[Mr. Isabelle.]

5. See 2(b) above.

Note: The hon. member in posing questions 4 and 5 may have had in mind the public service bicultural development program to which I referred in answering question 244 some days ago. The total salaries of ten officials attending at Toronto and York universities in the English language will be approximately $129,500 for the period of their secondment in the current fiscal year. Three officials moved to Toronto from Ottawa and seven moved from other centres. All officials moved their families to Toronto with assistance given by the federal government which it is estimated will cost about $6,000 in the present fiscal year. Exact cost figures cannot be given until the end of the fiscal year.

COST OF PRODUCING "CANADA: A YEAR OF THE LAND"

Question No. 563—**Mr. Mazankowski:**

1. What was the price paid by the Queen's Printer to the Carswell Printing Co., for the printing and binding of "Canada: A Year of the Land"; to the Graphic Litho-Plate Ltd. for offset separations; to Rolland Paper Co. Ltd. and Columbia Finishing Mills Ltd. for paper; to Hostmann-Steinberg (Canada) Ltd. for special inks; and to Cooper and Beatty Ltd. for typography of this publication?

2. What was the actual cost of production of "Canada: A Year of the Land"?

3. What was the total revenue to the government from the sale of "Canada: A Year of the Land"?

4. How many copies of "Canada: A Year of the Land" were distributed free of charge by the Secretary of State?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Public Printing and Stationery and the Department of the Secretary of State as follows: 1. To the Carswell Printing Company: $433,478.15. The Carswell Printing Company was the only firm under contract with the Queen's Printer for the printing and binding of "Canada: A Year of the Land"; other firms listed were subcontracted by Carswell Printing Company to supply components of the work, the cost of which was included in the prime contractor's quotation.

2. $433,478.15.

3. $425,000.00.

4. 484.

WATERFRONT PLAN, METROPOLITAN TORONTO

Question No. 564—**Mr. Robinson:**

1. Does the federal government have a plan for dumping fill along the shoreline of Metropolitan Toronto?

2. Has the so-called "Waterfront Plan" for Metropolitan Toronto been considered by the federal authorities and, if so, has approval been given?

3. Does the federal government propose to make recommendations concerning the implementation of this conceptual "Waterfront Plan" for Metropolitan Toronto and, if so, when?

Hon. Paul Hellyer (Minister of Transport): 1. No.

2. The harbour and airport aspects of the "waterfront plan" have received careful consideration and I expect shortly to be communicating preliminary views on these matters to the appropriate local authorities.

3. These views will deal primarily with those matters which relate to direct federal responsibilities, namely marine and aviation aspects; other aspects are primarily matters for the governments of the province and municipalities concerned, although the federal authorities will be glad to consult and co-operate with regard to their own particular interest in the over-all scheme.

PARK SITES, METROPOLITAN TORONTO

Question No. 565—**Mr. Robinson:**

1. Does the federal government own any land in the Metropolitan Toronto area suitable for park sites?

2. Does the federal government plan on providing any federal land for park sites through fill operations in Lake Ontario and/or through the proposed "Waterfront Plan" for Metropolitan Toronto?

Hon. Paul Hellyer (Minister of Transport): 1 and 2. No, but as indicated in the answer to the previous question No. 564, the federal government is prepared to consult and co-operate with regard to the over-all scheme in reference to those matters which are of particular federal interest.

COST OF NATIONAL ART CENTRE

Question No. 579—**Mr. Diefenbaker:**

What is the total cost to date insofar as the Department of Public Works is concerned of the National Art Centre?

Hon. Arthur Laing (Minister of Public Works): Total payment to November 20, 1968, is $40,275,168.

PUBLIC RELATIONS AGENCIES, NATIONAL ARTS CENTRE

Question No. 580—**Mr. Diefenbaker:**

1. What public relations agencies, persons or companies have been hired, retained or contracted with by the Board of Directors of the National Arts Centre and/or by the Centennial Commission since the 1st of January 1965?

2. What are the names thereof, their respective addresses and amounts paid or undertaken to be paid to each of them?

Hon. Gérard Pelletier (Secretary of State): I am informed by the National Arts Centre Corporation as follows: 1. The board of directors of the National Arts Centre, who met for their first meeting in March, 1967, have contracted for the services of Mr. David Palmer for public relations activities.

The Centennial Commission did not employ or retain any public relations persons or companies, for or on behalf of the National Arts Centre since January 1, 1965, or prior to that date.

2. Mr. David Palmer has been paid the amount of $400 and his address is: National Theatre of Great Britain, The Archway, 10a Aquinas Street, London, England.

TECHNICAL CONSULTANTS, NATIONAL ARTS CENTRE

Question No. 581—**Mr. Diefenbaker:**

1. Have "advisors" or technical consultants been appointed or hired under contract in connection with the National Arts Centre since the 1st of January 1965?

2. If so, what are the names and addresses with the amounts paid to each of them for (a) salary, and (b) allowances?

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

2. Consultants paid directly by Department of Public Works: McRostie, Seto, Genest & Associates, Consulting Engineers, 393 Bell Street, Ottawa, Ontario. Amount paid $34,840.24—Fee only. Charles W. Fairhall, Surveyor, 725 Churchill Avenue, Ottawa, Ontario. Amount paid $6,743.40—Fee only. C. C. Parker & Associates Ltd., Consulting Engineers, 688 Queensdale Avenue E., Hamilton, Ontario. Amount paid $2,527.43—Fee only.

Consultants paid through Affleck, Desbarats, Dimakopoulas, Lebensold and Sise in accordance with the provisions of their contract with the Department of Public Works: Bolt, Beranek & Newman Inc. Acoustics—Hall, 50 Moulton Street, Cambridge, Mass. Amount paid to October 31, 1968 (a) Fees, $107,120;

Questions

(b) Expenses, $9,018. N. J. Pappas & Associates, Acoustics—Theatre, 5253 Decarie Blvd. Montreal, Que. Amount paid to October 31, 1968, (a) Fees, $34,425; (b) Expenses, $1,195. Design Collaborative, Graphics, 1460 Sherbrooke Street West, Montreal, Que. Amount paid to October 31, 1968, (a) Fees, $7,741; (b) Expenses, $820. Richard Strong & Associates—Landscaping, 45 Colborne Street, Toronto, Ont. Amount paid to October 31, 1968, (a) Fees, $8,391; (b) Expenses, $703. Ben Schlanger—Sight Lines and Seating, 16 West 16th Street, New York, N.Y. Amount paid to October 31, 1968 (a) Fees, $3,780; (b) Expenses, $306. William Lam—Special Lighting, 18 Hilliard Street, Cambridge, Mass. Amount paid to October 31, 1968, (a) Fees, $12,645; (b) Expenses, $1,240. Silas Edman—Theatre Operations, 3484 Stanley Street, Montreal, Que. Amount paid to October 31, 1968, (a) Fees, $800; (b) Expenses, $72. Jean Rosenthel—Stage Lighting, 52 West 46th Street, New York, N.Y. Amount paid to October 31, 1968, (a) Fees, $14,318; (b) Expenses, $650. George Izenour—Stage and Theatre Equipment, 10 Alston Avenue, New Haven, Conn. Amount paid to October 31, 1968, (a) Fees, $1,718. James Domville—Theatre Consultant, 407 St. Lawrence Blvd., Montreal, Que. Amount paid to October 31, 1968, (a) Fees, $2,627; (b) Expenses, $400. Harry Horner—Opera Consultant, 38 Yorkville Avenue, Toronto, Ont. Amount paid to October 31, 1968, (a) Fees, $300; (b) Expenses, $157. H. Krawitz—Opera Consultant, Metropolitan Opera House, New York, N.Y. Amount paid to October 31, 1968, (a) Fees, $511; (b) Expenses, $102. R. W. Enterprises (R. Walleau)—Catering/Installation, Christieville, Que. Amount paid to October 31, 1968, (a) Fees, $4,920. Casavant Freres Ltee (Lawrence Phelps)—Organ Consultants, 50 Girouard Casavant, St. Hyacinthe, Que. Amount paid to October 31, 1968, No payment to date. Norman Slater—Opera Hall Wall Screens, 7400 Sherbrooke St. W., Montreal, Que. Amount paid to October 31, 1968, (a) Fees, $35,599; (b) Expenses, $506.

Consultants related to the Visual Arts Program: William B. Martin, Stairs Chandeliers, 261 Robbins St., Milton, Mass. Amount paid to October 31, 1968, (a) Fees, $21,900; (b) Travel, $91. Mariette Rousseau-Vermette, Theatre Curtain, Ste. Adele-en-Haut, Que. Amount paid to October 31, 1968, (a) Fees, $1,200; (b) Competition, $6,000. Norman Laliberte, Wall Tapestries, 10509 Brewster, New York, N.Y. Amount paid to October 31, 1968, (a) Fees, $8,200. Charles Daudelin, Exterior Sculpture, 17166 Ste. Marie Road, Kirkland, Que. Amount paid to October 31, 1968, (a) Fees, $28,000; (b) Competition, $700. Travel, $56. Micheline Beauchemin, Opera Hall Curtain, 3581 Ste. Famille St., Montreal, Que. Amount paid to October 31, 1968, (a) Fees, $14,500; (b) Competition, $6,000. Travel, $1,437. Art Price, Crest for Royal Box, Box 116, R.R. 9, Ottawa, Ont. Amount paid to October 31, 1968, (a) Fees, $525. Gino Lorcini, Lobby Mural, 1 Canterbury Park, Pointe Claire, Que. Amount paid to October 31, 1968, (a) Fees, $8,600. Jordi Bonet, Salon Doors, 16396 West Gouin Blvd., Montreal, Que. Amount paid to October 31, 1968, (a) Fees, $23,500. William Ronald, Studio Mural, 392 Brunswick Avenue, Toronto, Ont. Amount paid to October 31, 1968, (a) Fees, $11,500; (b) Material and Labour, $11,151. Travel, $446. Julien Hebert, Lobby Pool, 430 Bonsecour Street, Montreal, Que. Amount paid to October 31, 1968, (a) Fees, $14,500. Ossip Zadkine, Interior Sculpture, 100 D'Assas St. Paris, 6, France. Amount paid to October 31, 1968, (a) Fees, $20,000. Julian Hebert, Hall Ceiling, Box 113, N.D.G., Montreal, Que. Amount paid to October 31, 1968, (a) Fees, $10,000.

Note: Travelling expenses according to government regulations included in artists agreements.

*STUDY OF AIRPORT EXPANSION, TORONTO

Question No. 616—**Mr. Nesbitt:**

1. What studies is the Department of Transport currently undertaking with regard to expanding the airport facilities in the Metropolitan Toronto area?

2. Is the Department studying the possibility of constructing a second airport in the Toronto area, as an alternative to expanding the existing airport?

3. Has the Minister of Transport authorized a study into the possibility of building a second airport in the Toronto area, specifically on Lake Ontario?

4. If the answer to Part 3 is yes, how does the Department intend to estimate the cost of making the required land fill, necessary to the construction of such an airport?

5. Is the Department giving study to the feasibility of building floating runways for such an airport?

Hon. Paul Hellyer (Minister of Transport): The answer to the first part of the question is that the Department of Transport has completed a study in depth with respect to the expansion of Toronto international airport. This study involved a consortium of recognized consultants as well as officials of

the Department of Transport. At present senior officials of the Department of Transport are conducting a series of technical meetings with technical representatives of the municipalities adjacent to Toronto international airport, with the object of determining the compatibility of the Department of Transport proposals with these communities.

The answer to the second part of the question is that a variety of possible alternatives have been considered as means of meeting the future requirements of the area for increased air traffic, ranging from expansion of the present airport to construction or expansion of other airports, either as a supplement to or as a replacement for the present airport. No final decision has been taken.

The answers to parts 3, 4 and 5 of the question are as follows. A preliminary engineering and economic assessment indicated that this approach was not feasible at the present time as a means of satisfying the requirements of the Toronto area for expanded facilities for scheduled traffic, and more detailed investigation has not, therefore, been undertaken. However, the question of a general aviation airport of a type similar to the present Toronto island airfield to replace that field in the lakefront area is still under consideration.

*MOVE OF AIR CANADA OFFICES TO WINNIPEG

Question No. 623—**Mr. Schumacher:**

1. Is Air Canada moving its administration offices in the City of Winnipeg and, if so (a) what is the name of the building to which the offices are to be moved (b) who is the owner of the building (c) how many square feet will be leased (d) how many floors will be leased (e) what is the annual rental per square foot of space leased (f) when will possession of the new premises be taken?

2. When does the term of the lease covering Air Canada's present premises in Winnipeg expire?

3. How many square feet of space comprise Air Canada's present office premises?

4. What is the annual rental per square foot of Air Canada's present office space in Winnipeg?

Hon. Paul Hellyer (Minister of Transport): The management of Air Canada advises as follows, Mr. Speaker: 1. Yes. Two years ago the company decided to consolidate all of its administrative requirements in one building and made an extensive examination of existing and planned buildings in the Winnipeg area. (a) Richardson building; (b) Lombard Place Limited; (c) 88,088 square feet of office space; 10,000 feet of storage space; (d) 5½ floors; (e) It has not been the company's practice to disclose details of such transactions as such disclosure could prejudiciously affect the company in future transactions. The company made an examination of its requirements in Winnipeg and the going market rate for office and storage space suitable to its present and future needs, and opened discussions with the building owners in 1966 and concluded negotiations in September, 1967 which lease with the building owners was approved by the board of directors of Air Canada at its meeting of October 31, 1967. (f) Estimated August 1, 1969.

2. "Air Canada" building and Donnell building—December 31, 1974; Canadian Wheat Board building—December 31, 1969. The first two leases were assigned to Lombard Place Limited; occupancy of the latter building will be continued until the end of the lease.

3. 63,036 square feet of office space; 6,005 square feet of storage space.

4. See answer to No. 1(e).

REPORT ON ALLEGATIONS BY ARTHUR DAVID PRICE

Question No. 627—**Mr. Orlikow:**

1. What were the findings and recommendations of the Commission of Inquiry that was established to look into allegations by Mr. Arthur David Price?

2. What steps, if any, have been taken to implement the recommendations?

3. Does the Minister intend to release the report to the public and, if so, on what date?

4. If the report is not to be released, for what reason?

Hon. Léo Cadieux (Minister of National Defence): 1. In January, 1967, Mr. Arthur David Price, who had been appointed to Collège Militaire Royal, St. Jean, for a one year term in 1965 and whose appointment had been renewed for a further term ending on May 1, 1967, was given notice that his contract would not be renewed for a further term. It was explained to him that this action was being taken as he did not have a Ph.D. degree and was not working fast enough toward one.

Maxwell Cohen, Q.C., dean of law at McGill University, in his report as commissioner under the Inquiries Act, found that the reason given was not the main reason for the decision not to renew Mr. Price's contract although probably one of the motivating factors. The main reason for the decision was a feeling of discomfort among the college authorities arising from rumours and gossip concerning Mr. Price. Dean Cohen went on to find that, while a degree of maturity and

good sense in handling the matters was lacking by college authorities, they had not acted in bad faith and that their decision was based on desire to safeguard the reputation of the college. Within the limits of the facts presented before him as commissioner, Dean Cohen found nothing in the rumours concerning Mr. Price deserving of belief.

In his general conclusions, Dean Cohen stated that the interests of justice would be served if the government compensated Mr. Price for the expenses borne by him arising out of the proceedings and for the effects which the failure not to renew his contract had upon his subsequent employment opportunities. He also suggested that there is probably room for fresh constructive thinking on how to maintain the essential military character and needs of the military colleges as military institutions while at the same time giving academic communities there a status and an environment essentially analogous to ordinary university conditions.

2. The matter of appropriate compensation for Mr. Price is in the final stages of negotiation with his solicitor. The suggestions of the commission regarding the operation and administration of the college are being carefully reviewed by a senior committee established to advise the deputy minister on matters affecting the administration of the military colleges.

3 and 4. Having regard to the interests of the persons involved, it is not proposed to release the report generally to the public.

CELERY IMPORTS AND PRODUCTION

Question No. 634—**Mr. Fortin:**

1. How much celery did Canada import in each of the last five years?

2. What were the customs tariffs with respect to celery for each of the last five years?

3. Has the government received representations advocating an increase in the tariff to protect Canadian celery producers and, if so, what was the government's reaction?

4. How much celery was grown in Canada during the last five years?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Finance and the Dominion Bureau of Statistics as follows:

1.

Year	Quantity lbs.
1963	104,843,411
1964	105,877,091
1965	106,508,798
1966	104,987,633
1967	122,399,543

[Mr. Cadieux (Labelle).]

2. Fresh celery is classified under tariff item 8709-1. Celery imported under the most favoured nation tariff is subject to a seasonal duty of 2 cents per pound for a period of up to 24 weeks annually and for the balance of the year comes in free of duty. Celery imported under the British preferential tariff is free of duty. These rates have been in effect since 1959.

3. No. However, representations were received in 1965 in connection with the Kennedy round negotiations requesting that the tariff on celery not be reduced. The tariff on celery was not reduced in the Kennedy round.

4.

Year	'000 lbs.
1963	44,918
1964	40,504
1965	42,832
1966	38,790
1967	36,618

CHANGE OF POST OFFICE DEPARTMENT INTO CORPORATION

Question No. 637—**Mr. Fortin:**

1. Is the possibility of transforming the Post Office Department into a Canadian postal corporation being investigated and, if so (a) who are the members of the investigating group (b) when was each appointed?

2. What, precisely, are the terms of reference of this investigating group?

3. When will its report be ready and will such report be tabled in the House?

[*Translation*]

Hon. Eric W. Kierans (Postmaster General): 1. Yes. (a) and (b) The management consulting firm of Kates, Peat, Marwick and Company was assigned to the initial phase of this study on September 23, 1968. Mr. W. H. Wilson was designated as Special Advisor to the Postmaster General on October 3 to co-ordinate this study. He will be assisted by management consultants and senior Departmental officials.

2. To study and submit a detailed report on: (1) Current problems in the Post Office Department. (2) All the factors involved in the feasibility of establishing the Post Office as a Crown Corporation.

3. Completion date is not known at this time. The question of tabling the report will be considered by the government.

[*English*]

*COST OF AID TO NIGERIA

Question No. 643—**Mr. Cafik:**

1. What cash contributions have been made by the government to relief operations in Nigeria up to and including October 31, 1968?

2. To whom were such contributions made?

3. What are the estimated costs for operations of Canadian Armed Forces aircraft and personnel on Nigerian relief operations up to and including October 31, 1968?

4. What are the estimated costs per day for operations of Canadian Armed Forces aircraft and personnel on Nigerian relief operations?

5. What are the estimated costs of the return of the Hercules Aircraft to Canada following completion of relief operations?

6. Did the Canadian Government pay for the shipping cost of the relief ship that left from Halifax for Nigeria and, if so, what is the estimated cost to the Canadian Government?

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I am informed, Mr. Speaker, by the Departments of External Affairs and National Defence as follows: 1 and 2. Canada gave the International Committee of the Red Cross a cash grant of $60,000 through the Canadian Red Cross Society on June 5, 1968 for ICRC use in areas of Nigeria where the need was greatest.

3. $201,000.

4. Based on flying two relief missions per day—$8,500.

5. $67,400.

6. The Canadian government paid an estimated $149,000 for the charter of the relief ship which left Halifax October 22 for the Nigeria area but of this sum an estimated $31,375 is recoverable from the voluntary agencies who joined their contributions with those of the government in this shipment.

IMPORTS OF FRENCH CATTLE

Question No. 649—**Mr. LeBlanc (Rimouski):**

1. By province, during the summer of 1968, how many import permits were issued for French cattle (Charolais and Limousin)?

2. What is the name of the holder of each such permit issued?

3. What is the number of cattle specified per permit?

4. Did any permit holder sell or transfer his permit and, if so (a) which permit holders and to whom were they sold or transferred (b) what action has been taken in each case?

Questions

Hon. H. A. Olson (Minister of Agriculture):
1. The following number of permits were issued in the summer of 1968 to import cattle from certain European countries:

Province	Permits
Nova Scotia	2
New Brunswick	1
Quebec	7
Ontario	29
Manitoba	10
Saskatchewan	30
Alberta	53
British Columbia	7

2. Because of commercial considerations, it is not the practice of the department to divulge the names of livestock owners whose animals are being dealt with through quarantine or other controls under the provisions of the Animal Contagious Diseases Act.

3. From 1 to 6 animals, with each permit specifying the exact number.

4. Import permits are not transferable and the department is not aware of any permits having been sold or transferred. All the certification documents that accompanied the cattle at the time of importation were in the name of the original import permit holder.

PUBLIC UTILITIES INCOME TAX TRANSFER ACT

Question No. 678—**Mr. Fortin:**

1. What payments have been made by the government to the governments of each of the provinces pursuant to the provisions of the Public Utilities Income Tax Transfer Act, for each type of utility since its proclamation?

2. Does the government intend to bring telephone companies under this Act as some provinces have nationalized telephone services?

3. Were any regulations made by the government under Section 6 of the Public Utilities Income Tax Transfer Act and, if so, what are these regulations?

Hon. E. J. Benson (Minister of Finance):
1. None. It is anticipated that the first payments to the provinces will be made before the close of the present fiscal year.

2. This is a matter of policy; if the government should decide to recommend amendments to the Act, an announcement will be made.

3. No.

CLOSING OF FOREST RESEARCH LABORATORY, VANCOUVER

Question No. 680—**Mr. Anderson:**

1. Did the Department of Fisheries and Forestry discuss the closing of Rayonnier Canada (B.C.) Ltd.'s Vancouver research laboratory with the company prior to its closing?

Questions

2. Does the Department of Fisheries and Forestry intend to take over the operation of the laboratory in the place of Rayonnier?

3. Does Rayonnier carry out any forest research elsewhere in Canada?

Mr. E. F. Whelan (Parliamentary Secretary to Minister of Fisheries): 1. No.

2. No.

3. Yes. The company has forestry oriented research in the forests of British Columbia.

FEDERAL ASSISTANCE FOR PROVINCIAL PARKS

Question No. 681—**Mr. Fortin:**

1. Does the Department of Forestry and Rural Development in any way assist in the establishment or enlargement of provincial parks?

2. If so, what is the nature of such assistance and what amounts were or will be spent for each province?

3. What criteria are applied for such assistance?

[*Translation*]

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): 1. Yes.

2. Cost-sharing of certain development expenditures, particularly basic infrastructure in conformity with an overall plan.

Province	Commitments	Expenditures to Date Expenditures
Newfoundland	$ 232,000	$ 189,667
Nova Scotia	291,900	280,206
New Brunswick	2,993,498	2,273,882
Prince Edward Island	888,805	157,309
Ontario	1,724,000	652,009
Quebec	246,591	209,602
Manitoba	1,672,425	1,049,365
Saskatchewan	996,948	754,448
British Columbia	Nil	Nil
Alberta	Nil	Nil

3. An area to be considered for assistance must be jointly agreed to by the federal and provincial governments. Consideration is given to factors such as earnings in the area, extent of unemployment or under-employment, record of social assistance payments, levels of education and similar criteria. If sizeable assistance is called for, it must be justified by benefit-cost analysis.

[*English*]

GOVERNMENT AIR TRAVEL REGULATIONS

Question No. 685—**Mr. Lambert (Edmonton West):**

1. Has the Treasury Board adopted regulations concerning travel by commercial airlines within and without Canada by members of the Public Service of Canada and of the Armed Services?

2. When were the main regulations adopted and when were they last amended?

3. What are the criteria used to determine which persons in the Public Service and in the Armed Services shall be entitled to travel by air (a) first class (b) economy class, and where in fact is drawn the dividing line?

Hon. C. M. Drury (President of the Treasury Board): 1. Yes.

2. The public service travel regulations were adopted August 13, 1959 and were last amended August 16, 1968. The Queen's Regulations and Orders which relate to the Canadian armed forces were adopted September 1, 1951 and were last amended February 1, 1968.

3. (a) Public service. In general the dividing line for first class air travel is at the level of senior officer 2 and equivalent. In the following circumstances employees below this level may also be authorized to travel first class: (i) when required to travel by air on two or more successive nights; (ii) on flights originating or terminating in Asia, Africa or Australasia, or internally in Latin America; (iii) when travelling with a minister of the crown; (iv) when the employee is designated as the head of a foreign post; or (v) when economy class is not available and the trip cannot be delayed. (b) Armed services. In general the dividing line for first class is brigadier general. The circumstances in which first class air travel may be authorized for personnel below this rank are similar to those of the public service. In addition, officers accompanying major generals or members of the defence council may fly first class.

PRODUCTION OF CANADIAN COINS

Question No. 705—**Mr. Coates:**

Is it the intention of the federal government to contract with firms in the United States for the manufacture or production of Canadian coinage for 1969, and does the federal government intend to establish in Canada facilities that will allow for the complete manufacture of coinage in this country and, if so, when and by what method?

Hon. E. J. Benson (Minister of Finance): It is not the intention to contract with firms in the United States for the manufacture or production of Canadian coinage for 1969. Plans are being considered for the building of a new and larger Royal Canadian Mint.

QUEBEC—LIQUOR SEIZED BY R.C.M.P.

Question No. 716—**Mr. Godin:**

From June 26, the beginning of the liquor strike in Quebec, to date (a) has the RCMP had to make any investigations within the Province of Quebec (b) how many establishments have been visited (c) what quantities of adulterated liquor have been seized (d) what quantities of alcoholic beverages originating in the United States have been seized (e) how does the RCMP dispose of such beverages (f) what quantities originating in the other provinces of Canada have been seized, and under what conditions has the Province of Quebec taken possession of these supplies (g) how can the province dispose of these supplies?

Hon. G. J. McIlraith (Solicitor General): (a) Yes; (b) 285; (c) 2,774 imperial gallons; (d) 1,230 imperial gallons; (e) By destroying; (f) Not known—provincial jurisdiction; (g) Not known.

MINT SET PRODUCTION

Question No. 721—**Mr. Coates:**

1. How many mint sets were produced for sale in 1968, how many were purchased and what were the figures for 1965, 1966 and 1967?

2. Of the total number of mint sets produced in 1968, how many were produced in Canada and how many in the United States?

3. What was the total amount of coinage produced for the federal government in the United States and what was the amount of the contract or contracts of United States firms for the production of such coinage?

Hon. E. J. Benson (Minister of Finance): 1. Orders have been accepted for 518,000 sets, and 339,068 sets have been produced. Corresponding sets were produced and sold as follows: In 1967, 962,000; in 1966, 673,000; in 1965, 2,904,000.

2. All were produced in Canada.

3. The United States mint has contracted to manufacture 75 million 10-cent Canadian coins, but delivery had not commenced as of November 12, 1968. Cost of the contract is $149,000 not including cost of metal or transportation.

CIVIL SERVANTS IN FRENCH LANGUAGE COURSES

Question No. 723—**Mr. Robinson:**

1. How many individuals in the federal Civil Service have received courses that would assist them in securing a working knowledge of the French language and of that number, how many are presently enrolled in such courses?

2. Of the number presently enrolled in French language courses (a) how many receive the courses while continuing with their employment (b) how many are receiving the courses while on leave of absence (c) how many on leave of absence have been granted leave for more than a period of one month?

3. Of the number enrolled in French language courses while continuing with their employment (a) how many are granted free time to take such courses (b) at the present time and for the present fiscal year, what is the number of man-hours lost to the federal Civil Service?

4. Of the number enrolled in French language courses who have obtained a leave of absence while taking the courses (a) how many are receiving their salary while taking these courses (b) what will be the estimated cost to the federal Treasury in the present fiscal year?

5. Of the number enrolled in French language courses who have obtained a leave of absence from their employment (a) how many have moved from Ottawa for such purposes (b) how many have also moved their families (c) was assistance given to those who moved their families by the federal government and, if so, what will be the total cost to the federal Treasury in the present fiscal year?

Hon. Gérard Pelletier (Secretary of State): See reply to question No. 244, printed in *Hansard,* No. 29 of October 23, p. 1923.

JOHN C. DOYLE—PAYMENT OF TAXES

Question No. 734—**Mr. Coates:**

1. Has the federal government secured payment from John C. Doyle for outstanding taxes, what was the total amount outstanding and what is the status of the claim at the present time?

2. If payment in full has not been received what action is the federal government taking to protect the public interest?

Hon. Eric W. Kierans (Postmaster General): The decision rendered on June 6, 1967, by the Tax Appeal Board in respect of assessments against Mr. Doyle for the taxation years 1950, 1953 and 1954 has been appealed to the Exchequer Court of Canada and that appeal has not yet been heard. In connection with those assessments, a writ of extent was issued out of the Exchequer Court on July 8, 1963, for the sum of $3,410,130.90.

Except as indicated above, the information requested is confidential and cannot be divulged.

SPEEDING UP OF PASSENGER FLOWS AT AIRPORTS

Question No. 735—**Mr. Forrestall:**

Has the government considered the redesigning of such travel documents as the passport, with a view to utilization of computer techniques for the purpose of speeding up passenger flows at points of entry particularly airports?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Yes. This subject was formally raised for the first time in the agenda for the seventh session of the facilitation division of the International Civil Aviation Organization held last spring in Montreal. It was related to a proposal for the introduction of card passports as a means of facilitating an expected increase in foreign travel in consequence of the introduction of jumbo jet and supersonic aircraft within the next decade.

Canada contributed one of the four working papers on this proposal discussed at the seventh session. Subsequently, the Secretary General of ICAO invited member countries to nominate representatives to participate in examination of the proposals by a panel of experts. Canada has accepted this invitation. It is proposed that the panel of experts will hold an initial meeting in Montreal during the first quarter of 1969 to plan its examination of various ideas that have been made for an improved international travel document.

If the panel of experts is able to arrive at a solution in due course, ICAO will then consult member governments whether they are able to accept such a recommendation. At that time, the Canadian government will decide whether it wishes to accept the proposed solution as a recommended international practice.

PUBLIC WORKS, LOTBINIÈRE CONSTITUENCY

Question No. 747—**Mr. Fortin:**

In connection with the works undertaken by the Department of Public Works, what works are now in progress in the constituency of Lotbinière?

[*Translation*]

Hon. Arthur Laing (Minister of Public Works): Works now in progress in the constituency of Lotbinière: Deschaillons: Construction of Post Office building, $34,700; Laurier: Construction of Post Office building, $25,005; Manseau: Construction of Post Office building, $25,358; Rivière Boisclair: Construction of Post Office building, $26,000; Victoriaville: Installation of dumbwaiter in Post Office, $6,535.

[*English*]

LENGTH OF RURAL MAIL ROUTES

Question No. 754—**Mr. Schreyer:**

Of the 2,068 postal delivery rural routes that are in excess of 30 miles in length, what number are (a) 30 to 40 (b) 40 to 50 (c) 50 to 60 (d) over 60 miles in length?

[Mr. Forrestall.]

Hon. Eric W. Kierans (Postmaster General): (a) 30 to 40 miles, 1,191 rural routes; (b) 40 to 50 miles, 486 rural routes; (c) 50 to 60 miles, 175 rural routes; (d) over 60 miles, 216 rural routes.

EFFECT ON SALMON OF JORDAN RIVER HYDRO WORKS

Question No. 755—**Mr. Anderson:**

1. Has the Department of Fisheries discussed the possible injurious effect on salmon of the proposed Jordan River Hydro-Electric expansion program with B.C. Hydro?

2. Is it the intention of the company or of the Department to construct a spawning channel to ensure continuation of this salmon run?

Mr. E. F. Whelan (Parliamentary Secretary to Minister of Fisheries): 1. Yes.

2. Engineering and biological studies are now being carried out and discussions have taken place at the technical level. These studies and discussions will determine the particular action required to ensure continuation of this salmon run.

TRADE AGREEMENT WITH JAPAN

Question No. 763—**Mr. Godin:**

Does the trade agreement the Canadian government is about to conclude with Japan provide for the imports of hardware products and, if so, did the government prevail upon the Japanese to buy the steel required to manufacture those products from Canada?

Hon. E. J. Benson (Minister of Finance): The agreement recently concluded between Canada and Japan related only to the application of quantitative restraints by the Japanese authorities on certain Japanese exports to Canada. The agreements which govern trade between Canada and Japan, which are the Canada-Japan Trade Agreement of 1954 and the General Agreement on Tariffs and Trade, do not provide for the type of exchange described in the question.

CANADIAN SECURITIES COMMISSION

Question No. 810—**Mr. Caouette:**

Following the meeting of the Federal-Provincial Committee of government officials on the regulation of financial institutions and securities last October 25, what progress is being made toward the establishment of a Canadian Securities Commission?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Further discussions

are in progress at the official level. The intention of the government is to introduce a federal securities act in parliament during the present session.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CONSTRUCTION OF PUBLIC BUILDINGS, OTTAWA

Question No. 107—**Mr. Code:**

1. Since April 22, 1963, for what public buildings, with the name in each case, in the City of Ottawa, have construction contracts been awarded?

2. In each such building, what is or will be the total square footage available for occupancy?

3. What department or agency of government has occupied or will occupy each such building?

4. Since April 22, 1963, in what buildings, with the name in each case, in the City of Ottawa, has the government leased space for a term exceeding one year?

5. In each case (a) from what person, firm or corporation was such space leased (b) for what term of years?

6. In each such building (a) what is the total square footage available for lease (b) what is the square footage actually leased by the Government of Canada (c) what is the per square foot rate for each such leased space?

7. What department or agency of government has occupied or will occupy each such leased space?

8. Have any letters of intent to lease or other similar document been given by the Government of Canada to any owners or builders in the City of Ottawa, for which no lease has yet been executed?

9. If so (a) in respect of what buildings, with the name in each case (b) to what owners or builders?

10. In any such buildings (a) what will be the total square footage to be leased (b) what will be the per square foot rate?

11. Since April 22, 1963, has the government given consideration to lease-back or lease-purchase arrangements for building space in the City of Ottawa?

12. If so, with what result?

Return tabled.

SCHOLARSHIPS TO WEST INDIES CITIZENS

Question No. 176—**Mr. McCleave:**

1. How many scholarships have been provided to citizens of the British West Indies, by year, since 1965?

2. Which universities do such students attend, by numbers?

3. Have there been requests for more scholarships for that area from their governments and, if so, what is the response?

Return tabled.

PAYMENTS UNDER SHARED PROGRAMS

Question No. 290—**Mr. Harding:**

1. What was the total amount paid, or estimated to be paid, by the Government of Canada, to the provinces under the shared programmes in lieu of opting out for (a) the 1967-68 fiscal year (b) the 1968-69 fiscal year?

2. What was the specific or estimated amount paid to each of the provinces by the Government of Canada for each of the shared programmes for (a) the 1967-68 fiscal year (b) the 1968-69 fiscal year?

Return tabled.

SPACE LEASED, OTTAWA AND HULL

Question No. 393—**Mr. Coates:**

What departments of government and Crown corporations rent or lease space in the Cities of Ottawa and Hull and in each instance (a) from whom was the space rented or leased (b) for what period of time (c) at what annual cost?

Return tabled.

CONTRIBUTIONS TO UNITED NATIONS

Question No. 646—**Mr. Harding:**

1. What was the Canadian Government's total contribution to the United Nations for both the regular budget and the special or voluntary projects for the fiscal years 1963-64, 1964-65, 1965-66, 1966-67, 1967-68?

2. What were the special or voluntary programmes for each of the above fiscal years to which the Canadian Government contributed and what was the expenditure on each?

Return tabled.

ROYAL COMMISSION ON SECURITY

Question No. 687—**Mr. Fortin:**

1. Who are the members of the Royal Commission on Security, when was the Commission established and what were its terms of reference?

2. What were the expenses of the Commission since its establishment?

3. What remuneration was received by each member of the personnel since its establishment?

4. Was the report printed by the Queen's Printer and, if not, by whom was it printed?

Return tabled.

GRAIN

GOVERNMENT WHEAT POLICY—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I beg leave, seconded by the hon. member for Lisgar (Mr. Muir), to move the adjournment of this house under standing order 26 to discuss an urgent

matter of public importance, namely the catastrophic failure of the government's wheat policy resulting in the imminent loss of 200 million bushels of damp grain through lack of drying facilities, a blow to the economy not only of western Canada but the nation as a whole; and the refusal of the government to undertake necessary measures to deal with the situation.

Mr. Speaker: Would the hon. member please advise the Chair as to the urgency of this matter?

Mr. Southam: I can assure you, Mr. Speaker, I will confine my remarks to the matter of urgency. I am not in the habit of bringing forward motions of this type, but the urgency of this matter is so obvious and the opportunity for dealing with it in the ordinary way so lacking, that I am compelled to deal with it in this way. The occasion for the motion lies in the situation outlined at some length in a statement yesterday by the chief commissioner of the Canadian Wheat Board, Mr. W. C. MacNamara, in Winnipeg.

Briefly, Mr. MacNamara stated that unless immediate action is taken our economy is threatened with the loss through spoilage of some 205 million bushels of wheat stored damp in the bins. In order to show that the matter is not only urgent but also important, I am going to quote a sentence or two from Mr. MacNamara's report:

> Even with maximum use of terminal drying facilities the bulk of the tough and damp grain will have to be dried on farms.

• (2:50 p.m.)

And again:

> A survey shows that terminal driers, operating at full capacity during the next eight months, would be able to condition about 100 to 150 million bushels of the estimated more than 350 million bushels of tough and damp grain stored on farms.

To emphasize the urgency of this matter, Mr. Speaker, the farmers cannot visualize drying grain for a period of eight months, because if spoilage is going to occur it will take place next spring. Only the climatic conditions of western Canada during the next three or four months, with temperatures around freezing, will preserve the grain over the winter, but after eight months spoilage will have set in.

Even this survey is optimistic, Mr. Speaker, because the truth of the matter is that our total drying capacity in all terminal elevators both inland and at the three ports is only 12 million bushels a month. For anybody who

can add and subtract the implications of this statement are clear; and I am sure the Minister of Agriculture can at least add and subtract.

This means a threatened and serious loss of 200 million to 250 million bushels. The loss to the economy is in the neighbourhood of $300 million, a serious blow to western Canada and to Canada as a whole. This outlines the importance of the matter to the economy.

Dealing with urgency of debate, there is no opportunity under the rules to deal with this matter in the ordinary course of events. I will, however, make a suggestion. If the government will undertake to bring forward the agriculture estimates today, that will satisfy the need for dealing immediately and urgently with a situation which could be catastrophic. The reason the government must act is that farm drying facilities, even if utilized to the full, cannot possibly deal with more than some 50 million bushels a month. This means that a period of five months, drying at full capacity, would be required to save the grain. But within a few months the grain could well be beyond saving.

The only solution I see is for the government, through the wheat board, perhaps by using the provisions of P.F.R.A. or acreage payments, to undertake to provide drying machines to those farmers who do not have them and cannot afford them, in order that the drying out of on-farm grain may begin as soon as possible. This is the only way we can hope to save the major part of the grain.

Government action is required, and required now. That is why I bring this motion forward. There is no other opportunity to deal with it except by bringing forward the estimates immediately. What is required is an immediate statement of intention by the government, and immediate action to provide financing of grain drying equipment. With that assurance farmers could carry on. Without it, our economy will suffer another, perhaps disastrous, blow.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I want with all the emphasis I can command to support the motion having regard to the urgency of this situation. Some while ago I moved a similar motion asking that this house take time to debate the very serious, even desperate situation that was developing in western Canada. This motion was turned aside, and between then and now we have lost much time to examine and prepare for the very critical situation that exists.

In all honesty I would ask the house now to seize this opportunity to see what can be done to stave off really serious losses as a result of the condition of this grain. I know whereof I speak, because I have a dryer operating on my own farm saving grain that otherwise would have been a total loss. This situation will be repeated on farm after farm in western Canada. There are things that can be done and should be discussed in this house. Those here who are able to advance solutions and programs that might be useful should be given the opportunity to place them before the government.

The government should bring before us and offer to this house the opportunity to discuss the situation thoroughly and examine all facets and all courses of action that may be taken to use the resources of the commercial channels which are available, as well as the resources that the farmers themselves may have available.

[*Translation*]

Mr. Bernard Dumont (Frontenac): Mr. Speaker, allow me to point out that we support the motion for study of the western farmers' very urgent problem.

However, frankly, we deplore the fact that, when we talk about an eastern agricultural policy, we do not get the necessary support in calling for justice for our own farmers. In the past, we have asked that grain elevators be built which would enable the transfer of feed grain from the west to the east; this would help the farmer, especially in winter, when boats cannot navigate and grain must come by rail, which of course makes it too expensive.

We support the motion and understand that there are problems in Canada. However, recently we too have asked that a solution be found to the unemployment and strike problems in the eastern townships; but we did not get the required support from the house.

Mr. Speaker: Order. If I may interrupt the honourable member, I should like to remind him that the debate on the matter under consideration is limited, since we have to determine whether or not there is urgency of debate. If the ruling of the Chair is favourable, the honourable member will then be able to discuss the subject matter of the motion to be moved subsequently.

Mr. Dumont: I was coming to that, Mr. Speaker.

I simply wanted to say that we could have built grain elevators to solve the unemployment problem and to make it possible for this grain to be moved from the west to the east. Since we did not find the means to settle this problem, the Canadian parliament, on the one hand, must today face a surplus problem in the west and, on the other hand, a shortage of feed grain in the east. The farmers are complaining every day, and we could have settled this problem if we had listened to the voices heard in 1962. In fact, the urgency becomes obvious because the Prime Minister refuses to renew the winter works program and because this western grain which becomes a burden for the western farmer has to be moved and could bring abundance to the east.

This is why we are asking for the immediate planning of works in order to settle this problem of abundance. As far as we are concerned, we of the Ralliement Créditiste, the solution would be to utilize simultaneously the Canadian money and production, that is 664 million bushels of wheat and the necessary capital which would make possible the distribution of abundance.

[*English*]

Mr. George Muir (Lisgar): Mr. Speaker, as seconder of the motion I rise to speak in support of the urgency of debate. I trust the house will not try to treat this as a routine motion or as mere attempt to divert the house from its proper business. I hope we shall have the support not only of all western hon. members but of the majority of hon. members from the east as well.

I say that because the situation is of such a serious nature. The statement by the chairman of the wheat board cannot be discounted. It lends itself to one interpretation only; that western agriculture faces a loss of hundreds of millions of bushels of grain and millions of dollars, which farmers cannot afford to lose. I therefore suggest that we take action on the matter now.

As the mover of the motion said, there is no immediate opportunity to deal with this crisis which arises out of a series of failures on the part of the government. Unless this is dealt with immediately the result will be a paralysing blow to the western economy. The six weeks' grain handlers' strike resulted in a disastrous slowdown in deliveries from which we have not yet recovered. This matter has not been dealt with previously because the government failed to provide an occasion upon which to do so. Now, because of the

ramifications of the situation, it should be dealt with forthwith. There is urgency, and the urgency lies in the failure for six months to ratify the international wheat agreement, allowing the United States, deliberately and by agreement, an open door to markets which traditionally belong to Canada. As a result of these failures some 700 million bushels of wheat piled up on the prairies—not an unusual situation under Liberal governments. As far as the western farmer is concerned, Liberal years are lean years.

• (3:00 p.m.)

Some hon. Members: Oh, oh.

Mr. Muir (Lisgar): Reference has been made to the agriculture estimates. I say bring them on; let us see what solution the government proposes to a calamity of its own making.

Mr. Speaker: Order, please. I have to remind the hon. member that he is now making the speech which I assume he would normally make if the motion were accepted. He should attempt to limit his remarks to procedural considerations having to do with the urgency of debate.

Mr. Muir (Lisgar): I was just laying the groundwork for the procedural argument.

Some hon. Members: Oh, oh.

Mr. Muir (Lisgar): It is true the chairman of the wheat board will be appearing before the committee on agriculture. It is certain that when he appears he will repeat the outline of potential calamity which he dealt with yesterday. This does not solve the situation. Let us not fall into the error which the government is trying to foster, that a committee is a substitute for parliament. A committee is not a substitute for this house. It is true that in committee information can be elicited from the officials, but that is not what is needed at the present time. What is needed now, and needed immediately, is a statement by the government indicating awareness of the catastrophic situation into which the western farmer has been plunged by its lack of policy; and what is required is an undertaking by the government that there will be action. Such an undertaking can only be given in parliament. The situation can only be met by an immediate undertaking on the part of the government that something will be done, at least to double farm drying facilities. This cannot be given in a committee.

[Mr. Muir (Lisgar).]

Mr. Speaker: Order. I have to remind the hon. member once again that according to my limited understanding of this type of question he is at this point considering the substance of the situation and it seems to me, as an independent observer, that hon. members really defeat the purpose of this kind of motion when they fail to limit their contributions to the debate to the procedural aspects. If a number of hon. members take part in this debate by putting forward their substantive arguments, it is then much easier for the Chair to take the position that the matter has already been debated and that the motion for adjournment should not be allowed.

With this in mind, I ask hon. members to limit their contributions to the procedural aspects.

Mr. Muir (Lisgar): Thank you, Mr. Speaker. It is because of the limited knowledge of this subject by members of the government that I felt they should be enlightened.

The farmers must have an assurance that the government will act to provide drying facilities on the farms. This is the first thing that should be done. Such facilities can cost a great deal of money. Should a farmer be asked to pay thousands of dollars out of his own pocket to make up for government negligence? Precious few farmers in western Canada have this kind of money at the moment to play around with. Unless we act immediately, millions of bushels of grain will rot in piles in the fields of western Canada.

That constitutes the urgency of the matter. Only government action can help the situation and prevent a very serious economic loss to the prairies and to the country as a whole. To be useful, such action must be forthcoming at once, or at least there must be an indication that it will be forthcoming at once. Unless an opportunity is granted to us now to deal with this subject and impress on the government the urgency of the situation there may be no other opportunity, once the time allotted to the estimates has elapsed.

Some hon. Members: Hear, hear.

Mr. John Burton (Regina East): In dealing with the question of urgency of debate, Your Honour will be aware that there have been numerous references to this subject on the orders of the day and on other occasions during the current session. I suggest there has been a pattern to the references which have been made to this matter, leading to the conclusion that there is now urgency of debate.

The first questions were asked on this subject on the second day of the session. The house was informed that everything was under control, that it was desirable to wait until the harvest had been completed before determining what action should be taken. Later, when it became perfectly apparent to all that a serious situation had developed in western Canada, the government gave an assurance that everything possible was being done to deal with the problem of tough and damp grain.

Hon. members were assured that terminal facilities were being used to the full at both lakehead and inland terminals. Later it was disclosed in reply to further questioning that these terminals were not in fact being used to the full, that there was difficulty in moving grain to the terminals. It then transpired that there were difficulties in getting box cars. The transportation problem was referred to yesterday by the chairman of the wheat board in the statement to which the hon. member for Qu'Appelle-Moose Mountain referred.

In reply to further inquiries we were told that the Saskatchewan department of agriculture had found there were some 800 farm dryers in the province at the present time, and that as a result everything was under control. On the following day, under renewed questioning, the Minister of Agriculture backtracked with respect to that statement. Recently I drew the attention of the house to a protest sent to the Minister of Agriculture by the Saskatchewan federation of agriculture in which it took issue with the minister's statement that the situation was well in hand. As a matter of fact the Saskatchewan wheat pool is quoted in a farm broadcast on November 12 as saying "the committee strongly states that this is not the case." The reference is to the situation being well in hand. As reported in the *Leader-Post* of November 19 the Saskatchewan Department of Agriculture also stated there were 100 million bushels of wheat in the province which would have to be dried elsewhere than in commercial drying facilities.

Now we are faced with a statement by the chairman of the wheat board making it clear that the bulk of tough and damp grain will have to be dried on farms in western provinces. Thus I think it is abundantly plain that any semblance of a government program has been lacking, despite the assurance of its spokesman that they have the situation well in hand and are watching it closely. I maintain that the only way an adequate discussion of this problem is possible a this stage, having regard to the manner in which the situation has developed over the past number of weeks, is by allowing this motion. That would at least permit a full discussion of the serious situation which is affecting the entire national economy of Canada.

• (3:10 p.m.)

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, this matter has been raised in the house on numerous occasions by many hon. members on this side. We have tried to impress the government with the seriousness of the situation. I refer to only two instances. One was on November 7 when the matter was raised with the Minister without Portfolio (Mr. Lang) from Saskatchewan. At that time he said he was not aware of any problem concerning an insufficient number of box cars. Again, on November 13 I asked the Minister of Industry, Trade and Commerce (Mr. Pepin) about this matter, and he replied that he had been in contact with the wheat board that very day and said he had no reason to believe that the situation presently existing is abnormal.

In reply to a supplementary question the Minister of Agriculture (Mr. Olson) told me the terminal elevators were operating on a five day basis. Despite the urgency of the situation the terminal elevators at the lakehead are still operating only on a five day basis. Unless the government can be impressed with the fact that these terminal elevators must operate on a seven day basis, there cannot be any relief for the farmers.

Why is it urgent that the terminal elevators operate on a seven day basis? Much of the grain that has been harvested is of low quality. Consequently any grain that can be sold will not command a very high price, in fact approximately only two thirds of the normal price for No. 2 wheat. The situation is so urgent that one cannot expect farmers to sell their grain at that price and then turn around and pay for commercial dryers out in the country. The farmers must be able to sell their grain and have it delivered at the terminal elevators. In that way they will receive some money from the wheat board and have some income with which to continue operations.

The farmers cannot be expected to pay for the drying of grain and then store it for a year or two, as may now be necessary with the present developing situation. As I understand it, even at this late date there are

not sufficient competent technicians at the terminals.

Mr. Speaker: Order. It seems to me the hon. member has been referring more to the urgency of the matter than to the question of urgency of debate. Perhaps he might very soon bring his remarks in line with the requirements of the rules of the house.

Mr. Korchinski: With all respect, Mr. Speaker, I want to bring out the fact that a debate is absolutely necessary, and to show that the problem is directly related to the fact that there are not sufficient competent staff at the terminal elevators, even though we have known since September that the situation was such that we would require more staff at the elevators.

Without further comment, Mr. Speaker, I urge the house to have this matter debated, particularly as there are other matters pertaining to the labour contract which must also be discussed. Apparently the contract does not permit the labourers to work on a seven day basis, and that is something which must be brought out during the debate. I therefore urge Your Honour to accept the motion.

Hon. Otto E. Lang (Minister without Portfolio): Mr. Speaker, I noted with interest many of the comments of hon. members opposite and I thought I should bring to their attention, and particularly to that of the hon. member for Qu'Appelle-Moose Mountain (Mr. Southam) two additional statements from the chief commissioner of the Canadian Wheat Board speaking in his capacity as chairman of the transportation commission.

Mr. Speaker: Order, please. I hesitate to interrupt the minister, who is obviously going to make a contribution to the substance of the matter. I hesitate to interrupt him in view of the fact that contributions of the same nature have already been made in the debate, but in any event I have to remind him that, as much as possible, contributions should be limited in this debate to the procedural aspects of the matter.

Mr. Lang (Saskatoon-Humboldt): Mr. Speaker, I was trying to deal with the question of urgency in the tone I have heard from other hon. members. The point of the statement of the chief commission was that there was an attitude on the part of some farmers to the effect that there was in fact no problem at all, and he was bringing to their attention the fact that there was still some problem left. I would like to read the final two sentences in his report:

> All producers should be made aware of this situation. Current reports from the provincial departments of agriculture indicate a very substantial farm drying capacity which, if used fully, can go a long way toward helping farmers cope with this very serious problem.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, the contribution by the Minister without Portfolio (Mr. Lang) is one that will always be remembered for its impotence, its total disregard of the facts and the serious situation on the prairie. It is an amazing thing that we have two ministers from western Canada, both without portfolio, the one who has spoken who is not too conversant with this subject and the other from Manitoba who is one of the greatest authorities on wheat and the marketing of wheat in all Canada, but he has not chosen to make a contribution to the debate. Indeed, Liberal members have maintained silence in the face of the most serious situation we have faced in western Canada.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Is the situation getting worse? Will the Minister without Portfolio (Mr. Richardson) from Manitoba say the situation is getting better when only 12 million bushels have as yet been transported to the head of the lakes for drying, 12 million out of 250 million bushels?

Mr. Speaker: Order, please. I must remind the right hon. gentleman, as I have already reminded other members, that the debate at this time is simply on the question of urgency of debate, and that we should not be debating the urgency of the matter itself.

Mr. Diefenbaker: Mr. Speaker, I was just answering the vacuous statement by the hon. minister from Saskatoon, and pointing out that what he said indicated he has no appreciation of what the situation is, and how it has worsened. For weeks we have tried to get action and the government, King Canute fashion, has simply sat, listened and done nothing to meet an ever worsening condition. According to the statement made today by the hon. member who moved this motion there are 250 million bushels of wheat that have to be dried—250 million bushels, and the government sits and does nothing. Surely this would have been a time when the Prime Minister, with his just society, would have listened and said this is unjust and the house should have an opportunity of speaking out.

There is no need to endeavour to exaggerate the situation. We in western Canada face a most serious condition of affairs, yet the government supinely refuses any consideration or any action. I know, Mr. Speaker, we have to go a long way to regard anything on the part of this government as an emergency, but this is an emergency that worsens every day.

One cannot go into the facts, as Your Honour has said. We can simply point out how serious things are, how we have warned them day after day, and all we have received in return is the glossed over observations of the Minister of Agriculture who, even today, is abroad telling them in Europe how to run the O.E.C.D. With all the force at my command I repeat that there never was before this house in the last eight, nine or ten years anything more emergent than this, yet the government sits silent. Even the President of the Privy Council (Mr. Macdonald), the farmer from Bay Street, has not spoken yet. I await his words. He is the only one, I believe who has his heart sufficently softened to ask the house that this motion be accepted.

Some hon. Members: Hear, hear.

Mr. Speaker: Order, please. I ask the cooperation and indulgence of hon. members, and I trust there will not be too many further contributions to the debate which we are effectively having at this time.

• (3:20 p.m.)

Perhaps I should invite hon. members to be as brief as possible in their statements.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I address myself to the urgency of this matter, and repeat that I am one of a number of members of this house who have exhausted every possible opportunity available since the beginning of this session on September 12 to obtain a statement of government policies and programs to deal with this situation. We have tried in every way possible, during questions on the orders of the day, during the throne speech and budget debates, yet we have not received any indication from the government as to what action it intends to take. We have exhausted every effort, sir.

I spent the last two week ends in my constituency, and the people I represent believe this to be a matter of urgency. I am sure every member who represents a constituency like mine has found the same thing. This is a matter of national importance which involves hundreds of millions of dollars and a great many more people than farmers. It involves the transportation industry, the grain handling industry and the entire economy of this country. It also affects our export markets. All these matters are of extreme importance to every member of this house. We have tried everything we can to get this government to deal with this situation and I plead with you now, sir, to rule this motion in order because of this urgency, so this house will have the opportunity to obtain some indication from this government about its programs to deal with this matter.

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, the only question to be dealt with at this time is the question of urgency of debate. If I may I should like to direct Your Honour's attention to citation 100(3) of Beauchesne's fourth edition, which states:

> "Urgency" within this rule does not apply to the matter itself, but it means "urgency of debate", when the ordinary opportunities provided by the rules of the house do not permit the subject to be brought on early enough and public interest demands that discussion take place immediately.

Mr. Speaker, an hon. member says we are two months late now. That is a very useful observation. We have followed a practice in this house in dealing with the estimates of various departments. I have arranged to introduce here such estimates as hon. members wished to have dealt with, and have, by agreement with the opposition house leaders, referred those estimates to the standing committees which hon. members in the opposition did not wish to deal with in the house. Therefore, if the hon. member who just sat down has exhausted every effort to have this matter dealt with in order to get action, let me suggest that he should have had his house leader, or one of the other house leaders, request that the estimates of the Department of Agriculture be considered here.

We have been considering estimates now for several weeks, and there still are several more days for their consideration, but there has been no request from hon. members opposite that the estimates of the Department of Agriculture be brought before this house at a time when the Minister of Agriculture was here. Just by coincidence this motion is proposed today when my colleague the Minister of Agriculture is attending the O.E.C.D. in Paris. I think it is important that a Canadian representative should be at an international meeting on farm policy.

In respect of opportunities, Mr. Speaker, may I remind you that—

Some hon. Members: Order.

Mr. Macdonald (Rosedale): May I remind hon. members that the agriculture committee—

An hon. Member: Come off it.

Mr. Speaker: Order, please.

Some hon. Members: Oh, oh.

Mr. Speaker: May we have order?

Mr. Macdonald (Rosedale): Mr. Speaker, may I remind the house that the agriculture committee will be meeting tomorrow and that there will be an opportunity to consider estimates next week. In respect of the suggestion that there has been no opportunity to deal with these matters in the house, so far as the official opposition is concerned, there has been no opportunity presumably because the leadership of the official opposition did not want the matter discussed.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): I thank you, Mr. Speaker. And to comply with your instructions, I shall be extremely brief.

Having heard all the arguments from either side, I believe there is really a problem that must be solved, and it should come before the house. It is a major problem, vitally important for many farmers of the western provinces. It is equally of interest to the eastern farmers as far as supply is concerned.

So, in my humble opinion and considering the extremely serious nature of the problem, we should, if you allow me, Mr. Speaker, make you a suggestion: first, accept the motion and then discuss it in the light of all the ideas that may be brought forward. I think that would help the government to solve the problem.

[*English*]

Mr. G. W. Baldwin (Peace River): Mr. Speaker, having regard to the question of the opportunity for debate and its urgency, I must contradict completely the statement of the President of the Privy Council. There is no opportunity to discuss this now because, while it is true the estimates were sent to the standing committee, the right still persists in this house to call back, at the request of the government house leader, any estimates in order to facilitate the kind of debate we might now have under the provisions of standing order 26. If the government house leader refuses to accept the very reasonable request of the hon. member for Qu'Appelle-Moose Mountain, then I suggest he is delinquent in his duty. It is his duty to bring back these estimates. It is only within the four corners of this house that this debate can be held with the solemnity and the attention it deserves, and the failure of the minister to respond to that request is a certain indication of the government's failure in its responsibilities in this respect.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

Mr. Macdonald (Rosedale): On a question of privilege, Mr. Speaker—

Mr. Speaker: Order, please. I understand the hon. minister wishes to rise on a question of privilege. After hearing his question of privilege I would hesitate to allow too many more members to continue these enlightening contributions to this debate. Having heard the question of privilege, if it is not followed by a formal motion, I will recognize another hon. member who has been trying to get the floor, and then I suggest we go on with the business of the house.

Mr. Macdonald (Rosedale): Mr. Speaker, there has been an imputation by the hon. member for Peace River regarding the manner in which I have called these estimates. I should like to point out that throughout I have called these estimates on the basis of consultation with house leaders. I can only say that this is typical of the hon. member for Peace River, and the kind of co-operation I can expect from him.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. I recognize the hon. member for Battle River.

Mr. Cliff Downey (Battle River): Mr. Speaker, regardless of the verbiage of the hon. member for Rosedale in respect of why we should not consider the plight of the western agricultural industry at this time, let me say that if the government of Canada considers western Canada and its agricultural industry of any importance to this urban-oriented just society, then it should consider this motion at this time. If the government does

attach any importance, let it show us now in order that—

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. Let me remind the hon. member that this—Would the hon. member resume his seat? Let me remind hon. members that this is a procedural debate. The more of these speeches by hon. members I hear, the more I am confirmed in my opinion as to the ruling I should make in respect of this motion.

• (3:30 p.m.)

Mr. Downey: I offer my apologies, Mr. Speaker. I was only trying to impress upon the members on the government side of the house the real urgency of this matter. I can only say that if they ignore this urgent plea from the representatives of western Canada, our worst fears will become grim reality. I say that now is the time to act, not later.

Some hon. Members: Hear, hear.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, on the question of urgency of debate of the very serious situation in western Canada, I believe the house should consider it urgent because, first, of the economic conditions in western Canada today. Anybody doing business in the rural areas of western Canada realizes that the farmers have a drastic need for ready cash. Their damp grain is not moving.

We have many times urged the house to put the dryers at the terminals on a 24-hour basis, seven days a week. The government has decided not to do that. The President of the Privy Council suggested that this whole matter could be raised in the agricultural committee tomorrow when the chief of the wheat board will be before us. We are asking for a policy decision by parliament, not for a statistical review of wheat handling such as the chief commissioner of the wheat board can give us in the agricultural committee.

We want a policy decision by parliament, first, to activate the grain drying equipment at the terminals on a 24-hour basis, seven days a week. This is a policy decision that parliament and the government have to take. Second, we ask that the transportation committee look into the problem with regard to box cars. In the past two weeks members of this party and others have urged the government to look into the problem of box car shortages. No fundamental action has been taken by the government on this serious question. We want a policy decision by the government to alleviate the serious problem with regard to box cars and their availability in order to move our damp grain.

Third, we want a policy decision by parliament and the government with regard to commercial dryers purchased by farmers or farm co-operatives. Today they have to pay duty of 22½ per cent on these dryers, which practically prohibits their importation. We believe these three policy decisions should be made by the government. They could be brought about today by having an active debate in the house on this serious matter.

On only two or three previous occasions has a motion to adjourn the house under standing order 26 been accepted by the Chair. One had to do with the drought-stricken conditions in eastern Canada a number of years ago and another with the problems on the St. Lawrence seaway a number of years ago. I say to you, Mr. Speaker, that this question is every bit as urgent, particularly in light of the statement made on television last night by the chief of the wheat board on two of the matters to which I have referred. I would like to think that you, sir, and the government feel that western Canada is every bit as important as eastern Canada, the drought-stricken conditions of a few years ago in that area and the problems on the St. Lawrence seaway of a few years ago.

Mr. Speaker: Order, please. Starting at the end, I would say that the arguments advanced by the hon. member for Crowfoot have very little relevance to the procedural aspects of this matter and I cannot consider them at all in reaching the decision which I am now going to give to the house. Very serious arguments have been advanced by hon. members who have taken part in the debate. It is not an easy task for the Chair at any moment to reach a decision on standing order 26. I gather that the special committee on procedure has been giving very special consideration to changing the conditions under which that standing order operates, which would, I believe, have the effect of making it much easier for the Chair to reach a decision and to take into account the views advanced by hon. members in such circumstances.

Hon. members know that what we have to consider at this time is not at all the urgency of the matter. Although I do not come from the western provinces, I fully realize how important and urgent this matter is. I have been in the house every day, of course, since

the beginning of this session and in the chair I have heard the questions asked from day to day by hon. members on both sides of the house representing western constituencies. I have seen similar questions on the order paper.

Mr. Horner: The responsible ministers have not been here.

Mr. Speaker: A motion under standing order 26 was made earlier by another hon. member. I believe that was more than a month ago. All this indicates clearly to me—and I am looking at the question from strictly a procedural standpoint; hon. members must bear that in mind—that the matter has been under consideration, that it is not a sudden emergency as is required by the rule but is obviously a continuing emergency. I wonder whether there is a point at which a continuing emergency becomes a sudden emergency. This is a philosophical decision which I hesitate to make at this time. But when a month ago a matter was considered extremely urgent, and when every day since then it has been considered extremely urgent, I doubt that today, by reason of the fact that a motion is made, I can reach the conclusion that it has now become a sudden emergency.

On the other hand, I have to take into account that there may be opportunities for debate of this urgent matter within the next few days. I hesitate to mention, but I believe it is my duty to do so, that there is always open to the opposition the possibility of moving an amendment to a supply motion, at which time this matter could be debated at length. This is a possibility which might be considered. After the exchange between the government house leader and the opposition house leader, I hesitate to suggest that they should get together—

Some hon. Members: Oh, oh.

Mr. Speaker: —and perhaps try to arrange to set aside a supply day for a debate on this very urgent and important matter. In any event I feel bound by the standing order and by the rules and precedents inasmuch as they require that the matter brought before the house should be one of sudden emergency. This is primarily a matter of a continuing emergency. Because in my view it should be possible for the house within the next few days to arrange for that kind of debate, I would be inclined to refuse the motion. At the same time I advance the possibility that the motion might be brought forth again later if there does not seem to be an improvement in the situation and if there does not appear to be the possibility within the next few days of a debate being provided with the agreement of hon. members from both sides of the house. Having said all this—and much of it might be not entirely relevant—I must reach the conclusion that I cannot accept the motion.

Mr. Schreyer: Mr. Speaker, I rise on a question of privilege. My question of privilege does not concern Your Honour's ruling but rather has to do with the statement made by the Minister without Portfolio from Saskatoon. He quoted or attempted to quote the chief commissioner of the Canadian Wheat Board and I jotted down the words he quoted. The minister attributed to that gentleman the words that Canadian farmers are not generally aware of the seriousness of the problem. Either the minister did not have a chance to complete the quotation, which would be unfair, or he misquoted Mr. McNamara and should have a chance to explain.

Mr. Speaker: Order, please. This is not a question of privilege. If any hon. member has a question of privilege now it would be the minister, not the hon. member for Selkirk.

Mr. Schreyer: Mr. Speaker, is the minister not going to avail himself of the opportunity to explain?

Mr. Speaker: Order, please. There is no question of privilege.

[*Translation*]

MOTIONS FOR PAPERS

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): I ask Mr. Speaker, that all the notices of motions be allowed to stand.

[*English*]

GRAIN

PROVISION OF DRYING FACILITIES ON FARMS

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the appropriate minister, possibly the Minister without Portfolio from Saskatoon. What efforts are being made by the Canadian Wheat Board or by the government itself to try to ensure that there are adequate facilities on farms to handle the 200

million bushels of grain that cannot be conditioned at terminal facilities? I ask this question in the light of the very disquieting statements made last evening by the chief commissioner of the Canadian Wheat Board which have been discussed here this afternoon.

Hon. Otto E. Lang (Minister without Portfolio): Mr. Speaker, the terminal facilities do not come under the responsibility of the department of which I am the acting minister. However, this matter is, of course, being given active and serious consideration.

Some hon. Members: Oh, oh.

Mr. Stanfield: Am I to understand from the statement made by the Minister without Portfolio that the government has in fact no proposals to put forward with regard to measures to assist in the drying of the damp grain which is in danger of being destroyed?

Mr. Lang (Saskatoon-Humboldt): We have, over a long period of time, been assessing the situation—

An hon. Member: Some three months now.

Mr. Lang (Saskatoon-Humboldt): —and in looking back at the debates in the past, one will find that the problems being considered today are not exactly the problems that existed a month ago since the weather has allowed a good deal of harvesting to take place. So it is well to look at these things. The chairman of the transportation commission in his recent statement indicated that another questionnaire based on post-harvesting conditions has now been prepared and was put in the hands of the elevator operators on November 22. We expect to have the results at a very early date. This will no doubt be of great assistance in helping us assess the whole situation.

Mr. Stanfield: I have a supplementary question, Mr. Speaker. Could the minister say whether the wheat board or the government is conducting any survey of the location of dryers in order to ascertain whether these facilities are in a position to be of maximum use in connection with grain drying, and has the government or the wheat board given any consideration to facilitating the importation of dryers from the United States or from other sources?

Mr. Lang (Saskatoon-Humboldt): As I indicated at the beginning in my first answer, these are questions largely for the Minister of Agriculture who is not here today. I am sure he would be glad to provide detailed information on this matter when he returns from Europe.

Right Hon. J. G. Diefenbaker (Prince Albert): I have a supplementary question, Mr. Speaker. I should like to ask the acting minister of national revenue whether the government has given any consideration to the removal, by agreement with the United States, of tariffs on the admission of dryers into Canada or, if this cannot be arranged, would the government be prepared to pay the duty on the necessary dryers so that farmers in western Canada would be able to secure them?

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, I will be glad to take that up with the officials of the department and to make to the cabinet such recommendations as seem necessary.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, may I ask a supplementary question of the Minister of Transport. In view of the fact that part of the problem is due to the shortage of box cars, would the minister discuss this matter with the railways, if he has not done so already, and promise western farmers a flow of box cars so that damp and other grain can be moved?

Hon. Paul Hellyer (Minister of Transport): Yes, Mr. Speaker, I will be glad to take this up with the railways.

Mr. Woolliams: I have a further supplementary question, Mr. Speaker. Have there been any discussions to date with reference to this serious matter or are they to take place only now?

Mr. Hellyer: Yes, there have been discussions, Mr. Speaker.

Mr. Woolliams: I have a further supplementary question, Mr. Speaker. Would the minister please take the house into his confidence and tell us what has been the result of those discussions with the Canadian railways?

Mr. Hellyer: At an early date, Mr. Speaker.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: The west is forgotten.

Mr. Woolliams: Mr. Speaker, I rise on a point of order. Today both the Minister of Industry, Trade and Commerce and the Minister of Agriculture are away. We have witnessed the arrogance of the Minister of

Transport who has refused to answer questions. What kind of a government is it that will not give answers to our questions?

Mr. Speaker: Order, please. I wonder whether this is a point of order.

Mr. Woolliams: It may not be a point of order, Mr. Speaker, but it is a point of emergency on which Your Honour ruled a short time ago. These ministers will not answer; they will not even come into the House of Commons to grace this place with their presence. Parliament is falling to pieces now, and you are the Speaker.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. The hon. member for Saskatoon-Biggar.

Mr. A. P. Gleave (Saskatoon-Biggar): Thank you, Mr. Speaker. I have a supplementary question which I should like to direct to the Minister without Portfolio since he is certainly speaking for the Minister of Agriculture. Will the government undertake a program to co-ordinate the use of farm drying equipment that is now available on farms and to give financial assistance to farmers toward the cost of operating dryers in order to avoid the possibility of substantial losses because of damp grain?

Mr. Lang (Saskatoon-Humboldt): Mr. Speaker, I will be glad to bring these representations to the attention of the Minister of Agriculture.

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a supplementary question for the Minister without Portfolio. I am sorry to see that the Minister of Agriculture and the Minister of Industry, Trade and Commerce are not in their places as they should be according to the roster. Will the government take under consideration the question I put two months ago to the Minister of Agriculture in which I suggested that in a similar emergency in 1959 with wheat and other grain under the snow acreage payments were made and asked whether this could not be considered now so as to alleviate the financial difficulties in which the farmers find themselves at this time?

Mr. Lang (Saskatoon-Humboldt): Mr. Speaker, of course I must point out that this is a problem which was apparently much more serious a month or two ago when the hon. member put his question than it is now. With regard to the question as to how many people the suggestion would help, this situation is certainly being examined at this time.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister without Portfolio from Saskatoon. Now that we have lost one month in drying grain at the lakehead terminals, will the terminals be operating their drying facilities on a 24-hour seven day basis?

Mr. Lang (Saskatoon-Humboldt): Mr. Speaker, I will have to bring that question to the attention of the Minister of Agriculture.

Mr. John Burton (Regina East): Mr. Speaker, I have a supplementary question for the Minister of Finance. Is the minister in a position to provide the house with some particulars of the proposal to allow accelerated depreciation on farm grain dryers as referred to by the Minister of Agriculture in the house on Monday evening?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, regulations in this regard are being drafted and will probably be issued early next week.

Mr. Woolliams: Congratulations! At least this minister is answering questions.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I direct a question to the Minister without Portfolio from Saskatoon. Can he advise the house whether the government has made any provision for additions to the drying facilities of the inland terminals by the purchase of this equipment and its immediate installation in order to increase the capacity of the dryers?

Mr. Lang (Saskatoon-Humboldt): Mr. Speaker, I can only draw attention again to what I said before, namely, that the question is being directed to the wrong department.

Mr. Benjamin: On a point of order, Mr. Speaker, may I then ask whether the acting minister of agriculture or anyone who has something to do with agriculture can answer any of these questions?

Some hon. Members: Hear, hear.

An hon. Member: Where the hell are they?

AIR CANADA

CONSIDERATION OF POSSIBLE CHANGE IN OWNERSHIP

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to

the Minister of Transport. In view of press reports concerning discussions on a possible change in the ownership of Air Canada, and in view of the fact that a government committee is studying this matter, can the minister say whether a decision has yet been made and, if not, what is the position at the present time?

Hon. Paul Hellyer (Minister of Transport): Is my hon. friend referring to the Winnipeg overhaul base or to the whole system?

Mr. Knowles (Winnipeg North Centre): No, Mr. Speaker, I was referring to the discussions that have been reported of a possible change in the ownership of Air Canada.

Mr. Hellyer: Mr. Speaker, there has been no change since the last time the question was asked and answered. The same answer has been given, I think, twice this session. Although the government is considering the future form of the corporate structure of the company, this is not a question which can be considered lightly. It has very serious implications regardless of the decision that may be made and therefore will require some time for study. No decision is imminent, but I do hope that perhaps some time next year or in the early months of next year we will be able to make some sort of a position statement in respect of it.

Mr. Knowles (Winnipeg North Centre): Could we be assured that parliament will have an opportunity to express its view on this matter before we are presented with a *fait accompli*?

Mr. Hellyer: I think that is a reasonable request, Mr. Speaker. I am sure an opportunity will be provided. New legislation would be required in any event so that parliament would have its full say in respect of any change in the corporate structure. I am very pleased to give my hon. friend an undertaking that an opportunity will be provided to discuss it.

[*Translation*]

Mr. Bernard Dumont (Frontenac): A supplementary question, Mr. Speaker.

In reply to question No. 623, the Minister of Transport said that the administrative offices of Air Canada in Winnipeg would be moved.

Has that branch anything to do with the maintenance of the Viscounts, which entails a deficit of $10 million by staying in Winnipeg instead of being transferred to Montreal?

Mr. Speaker: The supplementary question should also be put on the order paper.

[*English*]

LABOUR CONDITIONS

WINDSOR, ONT.—REPORT ON MEETING RESPECTING LAY-OFFS

On the orders of the day:

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a question for the Minister of Labour. Is he prepared to report on a recent meeting between the representatives of the government and the United Auto Workers concerning lay-offs in Windsor? In particular, can the minister say what undertaking the government gave this delegation with regard to alleviating this crisis?

Hon. Bryce S. Mackasey (Minister of Labour): As the hon. member intimates, Mr. Speaker, I had a meeting with representatives of that union yesterday. We had a very fruitful meeting. Many suggestions came out of that meeting, some advanced by the government and some by the union. I am not, however, prepared to state anything specific today. When and if there are any changes in government policy, they will be announced in the appropriate manner in the house next week.

Mr. J. Edward Broadbent (Oshawa-Whitby): I have a supplementary question, Mr. Speaker. Would the minister give a date to the house on which he may be able to present any promises he made to the delegation concerning the eligibility of the union members for temporary assistance benefits?

Mr. Mackasey: No, Mr. Speaker, I would not be prepared to give any particular date. It would depend on the rate of progress.

COMMUNICATIONS

REPORTS ON SATELLITE DESIGN STUDIES

On the orders of the day:

Mr. A. D. Hales (Wellington): My question is directed to the Postmaster General, Mr. Speaker. Can the Postmaster General advise the house to whom R.C.A. Victor and Northern Electric delivered their reports following surveys they made on behalf of the government with regard to Canada's satellite?

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, late yesterday afternoon I received copies of the reports.

Mr. Hales: A supplementary question. Did some member of the government or an official

representing the government give authority for these companies to make these reports?

Mr. Kierans: No member of the office of the Minister of Industry, Trade and Commerce or in the office of the President of the Treasury Board or in the office of the Postmaster General gave any such authority.

Mr. Hales: Are we to assume, then, that these companies made these reports purely on their own initiative?

Mr. Kierans: No, they may have been in contact with some officials; that is the distinction I am making.

Mr. Hales: In the light of the minister's answer, would he advise the house who those officials were?

Mr. Kierans: They were not in my department; that is all I can say.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, could the Postmaster General tell the house if it is true that Mr. J. Orr, of the research branch, attended the press conference given by Northern Electric about a satellite?

Hon. Eric W. Kierans (Postmaster General): I am not aware of that, Mr. Speaker.

[*English*]

Mr. Ed Schreyer (Selkirk): Can the Postmaster General indicate whether the government of Canada is committed in a contractual way now to these two firms for development of a space communications satellite?

Mr. Kierans: The government is committed to no one.

Mr. Speaker: Order, please. I wonder whether that question can be asked at this time. This question should be placed on the order paper, I suggest.

Mr. Robert Simpson (Churchill): Mr. Speaker, I should like to direct my question to the Minister of Industry, Trade and Commerce but in his absence I will direct it to his parliamentary secretary. Was permission given by anyone in that department for this report to be released or by anyone in the deputy minister's office?

Hon. Otto E. Lang (Minister without Portfolio): Mr. Speaker, to my knowledge the reports as such have been received by the government and have not been released.

[Mr. Hales.]

CANADIAN NATIONAL RAILWAYS

PROPOSED LAY-OFF OF SECURITY STAFF, ATLANTIC REGION

On the orders of the day:

Mr. Robert Muir (Cape Breton-The Sydneys): May I ask the Minister of Transport, Mr. Speaker, whether he is in a position today to report to the house the results of his discussion with Canadian National regarding the alleged proposal to cut back the Canadian National police force in the Atlantic region, which has been brought to his attention by a number of members including the hon. member for Moncton?

Hon. Paul Hellyer (Minister of Transport): I am not today, Mr. Speaker. When I was in Halifax on Monday a delegation of the policemen visited me on Monday morning. We had a discussion and I wired back for my departmental assistants to speed up the information. I have not had a chance yet to determine whether it is available and to look at it.

[*Translation*]

TELEVISION

QUEBEC—REPRESENTATIONS RESPECTING EDUCATIONAL BROADCASTING

On the orders of the day:

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker, I wanted to put my question to the Secretary of State but, in his absence, I shall direct it to his parliamentary secretary.

In view of the fact that, within a few days, a federal-provincial conference on constitutional matters will be held and that the question of using television for educational purposes will certainly come up, has the Secretary of State or the government received from the province of Quebec an official communication stating its position on the use of educational broadcasting?

Mr. Robert Stanbury (Parliamentary Secretary to Secretary of State): Unfortunately, Mr. Speaker, we have never received any proposal in that respect from the Quebec government, despite several requests.

However, I note that the Quebec premier has expressed the wish to discuss the matter at the next constitutional conference. I need not add that we shall welcome a frank and full discussion with the provincial governments on any subject of mutual concern.

[*English*]

TRADE

REPRESENTATIONS TO UNITED KINGDOM ON IMPORT RESTRICTIONS

On the orders of the day:

Hon. D. S. Harkness (Calgary Centre): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce but in his absence I will address it to the acting minister. Can the minister report on the outcome of representations made by the Canadian government to the government of the United Kingdom with regard to the new import restrictions recently put into effect, and especially the serious effect on imports of Canadian synthetic rubber, lumber, plywood and newsprint?

Hon. Otto E. Lang (Minister without Portfolio): No, Mr. Speaker, I cannot as yet report on the outcome of these discussions.

Mr. Harkness: I have a supplementary question. In addition to the representations made by Canada directly to the government of the United Kingdom, can the minister say whether Canada has made any protest to GATT and, particularly has the government of Canada taken the position in GATT that the British import restrictions are in fact a contravention of Britain's obligations under GATT?

Mr. Lang (Saskatoon-Humboldt): Canada is represented on a committee of GATT which will be studying this question and therefore will have direct access to the question of the position of these changes in relation to the GATT obligations.

Mr. Harkness: Perhaps the minister did not hear my question. I asked whether Canada made a direct protest to GATT with regard to this matter?

Mr. Lang (Saskatoon-Humboldt): Since the whole matter has been referred to this committee for study it was not really a question of making a protest at that stage.

FINANCE

SUGGESTED INTERNATIONAL MEETING TO STABILIZE CURRENCIES

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Finance a related question. In view of the fact that we have had three monetary crises and an indication from the chief economic adviser to president-elect Nixon that we may expect six months of chaos and continuing crisis, can the minister assure the house that Canada will take the lead in seeking immediately an early international conference along the lines of the Bretton Woods meeting to make more satisfactory and permanent arrangements for the strengthening of international currencies and provision for orderly readjustment which may be necessary from time to time?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, as I indicated to the Leader of the Opposition, there are continuing consultations taking place on matters of international finance and exchange. Canada will play its full part in any such negotiations.

Mr. Stanfield: A supplementary question, Mr. Speaker. I gather the answer is no, though it took the minister a little while to say so. Did he say on return from his recent trip to Bonn that the crisis which has just temporarily passed is "primarily a French or European problem"?

Mr. Benson: Mr. Speaker, I did say that there has not been any pressure on either the Canadian or the United States dollar as a result of this recent upheaval in international foreign exchange, and that the problem has primarily been a French-German-British problem. As my hon. friend knows, the movement in exchange was from France and Britain into Germany. Since the conference there has been a reversal of this situation, as I understand it, and quite a substantial outflow from the deutschmark.

Mr. Stanfield: A further supplementary question. Is the minister still—

[*Translation*]

Mr. Speaker: Is the hon. member for Abitibi rising on a question of privilege?

Mr. Gérard Laprise (Abitibi): Yes, Mr. Speaker.

I hesitate somewhat to interrupt the hon. Leader of the Opposition (Mr. Stanfield), but I would like to submit that, since the beginning of the question period, none of our group has been recognized and the time has almost expired.

Even though there was a request for a debate on a very important subject, namely the wheat problem, the fact is that a debate on this subject has taken place on two occasions, that is during the discussion of the motion and during the question period. Why is it then that members of the Ralliement Créditiste are not recognized this afternoon?

Inquiries of the Ministry

Mr. Speaker: The hon. member may rest assured that I am keeping an eye open and that his group and himself in particular will be given their turn in a moment.

The hon. member for Abitibi.

Some hon. Members: Hear, hear.

EXTERNAL AFFAIRS

MEETING OF EDUCATION MINISTERS OF FRENCH SPEAKING COUNTRIES

On the orders of the day:

Mr. Gérard Laprise (Abitibi): Thank you, Mr. Speaker.

I wish to ask the right hon. Prime Minister whether he can tell the house if he has received an official invitation from the Niger—and on what date—to attend or participate in the coming conference of the education ministers of francophone countries?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, an invitation was in fact addressed to Canada. We received it on last November 17, I believe, or last Tuesday, from president Hamoni Diori of the Niger. We have been invited to attend a conference, not of the ministers of education, but of French speaking countries in general.

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to put a supplementary question.

Will that invitation be handed over to the province of Quebec or does the federal government intend to accept the invitation for itself and send its own delegation?

Mr. Trudeau: Mr. Speaker, the invitation was extended to us, and we are in the process of considering what reply we will give.

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

I would like the Prime Minister to tell us if the federal government intends to hold direct consultations with the Quebec government with regard to sending a Canadian or a Quebec delegation to that conference.

Mr. Trudeau: Mr. Speaker, we would hope that, in accordance with the policy established by right hon. Mr. Pearson at last year's federal-provincial conference, a delegation to such a conference will represent all Canadians and particularly French speaking Canadians who, as everyone knows, do not live only in the province of Quebec but also in other provinces.

[Mr. Laprise.]

Some hon. Members: Hear, hear.

Mr. Speaker: Order. Hon. members will admit perhaps that the situation has righted itself somewhat but just the same I give the floor to the hon. member for Champlain.

Mr. René Matte (Champlain): Mr. Speaker, I should like to put a supplementary question.

In the invitation received by the federal government, is it mentioned that the Quebec government has also been invited?

Mr. Trudeau: Yes, Mr. Speaker. I can even say more. That invitation contained a special indication to the effect that it was their wish that Quebec would attend that conference and this is evidently in accordance with our own views. We hope, however, to establish a formula under which there would be a single Canadian delegation made up of the representatives of several provinces interested in the "francophonie" or French speaking countries.

Mr. Fortin: Mr. Speaker, I wish to put a supplementary question.

I would like to ask the Prime Minister whether he intends, since there are many French speaking Canadians in other provinces, to convey that invitation to other Canadian provinces?

Mr. Trudeau: I did not hear very well, Mr. Speaker, but if—

Mr. Fortin: I will repeat my question in order to be well understood.

Since the Prime Minister said a while ago that there are many French speaking Canadians in other provinces, will he also convey that invitation to the other provinces?

Mr. Trudeau: Yes, Mr. Speaker. I said it and I say it again: We intend to make up a Canadian delegation including representatives of the various provinces interested in the French speaking countries.

[*English*]

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Barry Mather (Surrey): Mr. Speaker, I have a question which I think I should direct to the Secretary of State for External Affairs. Having in mind the announcement last night by the prime minister of British Columbia to the effect that he intends shortly to absorb

the Yukon and part of the Northwest Territories, will the government give consideration to intervening to protect the natives of those areas?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, my function is to protect foreigners, not Canadians.

POST OFFICE DEPARTMENT

USE OF MAIL FOR BINGO ANNOUNCEMENTS

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Postmaster General. Is it the policy of the minister to threaten prosecution of village service groups who send out notices of Christmas turkey bingos through the mails for local charitable purposes such as children's playgrounds, and at the same time permit the mayor of Montreal to send out lottery literature to homes in the same area?

Mr. Speaker: Order. The hon. member is asking for a policy statement which should be made on motions.

CONSUMER AFFAIRS

SUGGESTED FRAUDULENT ART AWARDS BY MAGAZINE

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. In view of the fact that *Maclean's* magazine is presently informing thousands of Canadians that each is the winner of a genuine oil painting by Renoir or a genuine original etching by Rembrandt or four or five other similar art treasures, what steps does the minister propose to take to stop this fraud?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): To start with, Mr. Speaker, I will read *Maclean's*, which I have not yet done.

HEALTH AND WELFARE

REQUEST FOR WHITE PAPER ON SMOKING AND LUNG CANCER

On the orders of the day:

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. Last week, as reported at page 2910 of *Hansard*, I asked the minister a question which he said he would prefer to take as notice. In view of the tables that he put on the record last week I am wondering whether he has given any further consideration to this matter and to the possibility of indicating the level of tar and nicotine on packages of cigarettes offered for sale?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I believe that this and other questions pertaining to tobacco will be discussed by a parliamentary committee, and I also believe that the President of the Privy Council will have an announcement to make in this regard on Friday.

IMMIGRATION

PRESSURE OF APPLICATIONS IN U.K. OFFICE

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I should like to direct my question to the Minister of Manpower and Immigration. In view of the heavy pressure on the immigration offices of Australia and South Africa in the United Kingdom caused by prospective immigrants, I suppose because of the austerity program in effect there, could the minister inform the house whether or not there is similar pressure on the Canadian offices there? If there is, what measures are being taken to meet the situation?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, there is pressure in a number of offices and we are doing our very best to staff these offices within budgetary limits.

NATIONAL DEFENCE

NATO AND NORAD—STATEMENT BY POSTMASTER GENERAL

On the orders of the day:

Mr. G. W. Baldwin (Peace River): Mr. Speaker, my question is for the Prime Minister. Would the right hon. gentleman say whether the statement made by the Postmaster General on national television last night, that Canada should get out of NATO as well as NORAD since we have no contribution to make in that field meets with the earlier guide line the Prime Minister laid down yesterday in answer to my question, when he said that a minister should not place himself in an irrevocable position which might be contrary to that which the government might eventually take?

Hon. Eric W. Kierans (Postmaster General): On a question of privilege, Mr. Speaker, I did

not say that. I support fully our present policy. I am a member of the cabinet and I intend to support it. I said that future alternatives were up for discussion.

Mr. Speaker: I bring to the attention of hon. members that the only question that may be asked of the Prime Minister is whether the statement attributed to the minister represents government policy.

Mr. Baldwin: On a point of order, Mr. Speaker, I was simply asking the Prime Minister whether the statement which I suggest was made meets the earlier guide lines he laid down in his answer to me yesterday.

Mr. Speaker: Order, please. I was not taking issue with the question but with the question of privilege.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, in view of what I have just heard from the Postmaster General I can only say the question is hypothetical.

Mr. Baldwin: Table the transcript, then.

HOUSING

DIRECTION OF PENSION FUND HOLDINGS INTO CAPITAL MARKET

On the orders of the day:

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is for the Minister of Finance. Will the minister tell the house whether, in view of the Minister of Transport's comments in Halifax and St. John's, he is giving serious consideration to taking steps to direct pension fund holdings into the capital market for housing?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I have not had the opportunity to read the report of what the Minister of Transport said in Halifax and St. John's. I assure my hon. friend that anything the Minister of Transport says is taken under serious consideration by the government.

Mr. Speaker: Order, please. We are running out of time, but perhaps the house might agree to allow the hon. member for Palliser to ask a question.

DIVORCE

EXTENSION OF JURISDICTION TO COUNTY AND DISTRICT COURTS

On the orders of the day:

Mr. Stan Schumacher (Palliser): Mr. Speaker, my question is for the Minister of Justice.

[Mr. Kierans.]

Since it is a fact that some 1,400 divorce actions are still awaiting trial in the Supreme Court of Ontario and the court expects an average delay of nine or ten months from the time the actions are filed, and since the same situation is developing in other provinces and imposes severe hardship on individuals, would the minister say whether the government is giving any consideration to changes in the divorce legislation that would, for example, give jurisdiction to county and district courts or otherwise enable divorce applications to be dealt with in a more efficient and considerate manner?

Mr. Speaker: Order, please. The hon. member's time has expired.

INDUSTRY

RESPONSIBILITY FOR SAFETY OF MINE WASTE HEAPS

On the orders of the day:

Mr. Randolph Harding (Kootenay West): Mr. Speaker, on Tuesday and yesterday three questions were directed to the Minister of Energy, Mines and Resources relating to strip mining waste. A statement was promised for today. May I ask the acting minister, perhaps, if he is prepared to make that statement at this time?

Hon. Arthur Laing (Acting Minister of Energy, Mines and Resources): Mr. Speaker, statements have been made in the province of British Columbia by Premier Bennett and by the minister of mines, Mr. Richter, which clearly indicate and acknowledge that this is a provincial problem and is directly within the competence of the government of the province of British Columbia and the provincial legislature.

SUPPLY

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

DEPARTMENT OF PUBLIC WORKS

1. General administration, including grants as detailed in estimates, $31,015,000.

The Deputy Chairman: Vote No. 1 will be found at page 392 of the blue book and the details are listed on page 394. For the information of hon. members these estimates were last considered on November 4 and 19.

Mr. Horner: Mr. Chairman, I wish to speak on item 1 of the public works estimates. I have long been interested in public works

and I have often been concerned about what has motivated the government in some of its actions in administering this vast department. For example, I note that each year for the last three years we spent $180,000 in improving wharves. We have also done some dredging for Canadian Vickers at Montreal. Canadian Vickers is a worthy industry. I ask the minister, why are some wharves and some drydocks improved while others are neglected?

Two years ago when I was in Vancouver with the agricultural committee I saw how dilapidated the dock facilities were. Recently the port at Vancouver has become one of our major ports through which goods are exported from Canada. Yet I found buildings there which were, as people say in western Canada, as old as the hills. The dredging going on in the harbour was 20 years behind the times. What most concerned me was the lack of an over-all plan for the building of larger facilities at that port to enable the movement of a greater volume of commodities.

Without doubt, the attention of western Canada is focused on Vancouver as a port of export. Hon. members no doubt are aware of the serious situation in western Canada at the terminals and in government elevators. I know that terminal elevators need not necessarily come under the Department of Public Works. Yet when talking about port facilities one must include terminal elevators, and in western Canada we have been worried for the past month because these elevators have not worked at full capacity. They work five days a week and less than 24 hours a day.

We all realize that if the government, and particularly the Department of Public Works, showed a greater interest in this matter they would bring about modernization of port facilities and facilitate the handling of Canadian products. Those products, of course, include grain coming from the terminals and from the dryers. Of course, many realize that one of our bottlenecks in grain has been in drying it. Dryers operate in the terminals. If grain has to be dried elevator companies sometimes do not know where to put it. They have no place to put it. Surely the solution of this problem has something to do with the Department of Public Works and the operations of the department with regard to improving harbour facilities, dredging, and facilitating the movement of Canadian products to export markets.

I could not bring myself to admit when I toured the port of Vancouver, and the Lakehead shortly after, that the facilities I saw were modern or that the dredging operations at Vancouver, particularly, were up to date. I could only conclude that we are behind the times. It was realized that Asia was a gigantic market and that we should streamline our port facilities to accommodate that market. But we were late. And we have had to pay the price for allowing our harbour facilities to fall behind.

• (4:20 p.m.)

We hear a great deal nowadays from the Minister of Transport about the government's intention to build a brand new port on a sandy peninsula. The minister has not told us how he proposes to stop the sand drifting in without continual dredging. He has not told us whether the legal situation between the federal government and the province has been ironed out. With present pressure on the shipment of Canadian products, whether they be potash, iron ore or grain, surely there is urgent need to iron out the red tape and speed up the modernization of our port facilities and the development of new ones.

Looking over this year's estimates I find very little change in the total expenditure compared with last year. There is an increase of some $11 million. No real savings have been made in any of the items. There is really just a continuation of programs which have not proven to be particularly successful in the past. No consideration has apparently been given to the change which has taken place in the pattern of Canadian exports particularly from the Lakehead and the west coast. We see the United States taking advantage of our harbour facilities at Baie Comeau, for example, while we are failing to keep abreast of our leading export competitor. This should be brought sharply to the attention of the government.

One could go into the whole question of grain drying and grain drying facilities at these harbours. They have not proved good enough. A few years ago when the question of grain dryers on prairie farms was raised Mr. McNamara, chief commissioner of the Canadian Wheat Board, advised against farmers purchasing dryers on account of the danger of damaging the quality of Canadian wheat. Yet today, because of failure to handle the massive amounts of damp grain on the prairies, Mr. McNamara is urging farmers to get into the business of drying their own grain. He has thrown his caution of a few years ago to the winds and has said in effect: Get into the business because the government cannot handle the 380 million bushels of

damp, tough grain which will have to be dried this winter.

The picture is plain to see. Certainly we must improve the dredging of our major ports. We must improve the buildings, the basic installations necessary for the handling of Canadian products. It is necessary to streamline port facilities. It is not good enough to put up modern buildings here and there while the railroad leading to them is tied up by city traffic for half a day before the cars can get in there. We remember the situation two years ago when box cars were piled up from Vancouver almost to the rockies because of the difficulty of moving cars to the terminals. The fact is that the activities of the Department of Public Works, the Department of Transport and the Board of Grain Commissioners which handles the terminal elevators, must all be dovetailed together. In other words, one department has to know what the other is doing; they have to work together if we are to keep abreast of the demand nationally and internationally for Canadian products.

I can only say once again this fall that we in Canada have failed to keep abreast of the need for improved harbour facilities, particularly to deal with damp grain, a problem which is causing severe hardship to many prairie farmers because in consequence they have not been able to market their grain. They face the situation that if the grain is not marketed before early spring there will be a tremendous amount of spoilage and wastage. For this reason I urge the Department of Public Works to get together with the other departments concerned and not only give Canadian Vickers a subsidy of $180,000 every year but facilitate the marketing of Canadian goods and streamline the handling of Canadian products even if this includes the drying and cleaning of Canadian grain which has played such a major part in increasing Canada's exports during the past number of years.

Mr. Peters: Mr. Chairman, I, too, went on that trip two years ago when members of the agricultural committee learned a great deal about the agricultural problems of various areas of this country. I was impressed this afternoon by the motion which the hon. member for Qu'Appelle-Moose Mountain put forward with regard to western agriculture and I was surprised that members of the government did not take the opportunity to announce the changes which I am sure are necessary. When a motion of that kind is moved I am often impressed not so much by the arguments as to the urgency of debate as by the indications that if a debate were allowed members of the house would be in a position to offer practical suggestions to solve the problems which had led to the demand for a debate. If the house is not capable of suggesting any solution to those problems then in my view there is really not much point in having a debate at all. But if a genuine crisis develops I am of the opinion that some consideration should be paid to the readiness of hon. members to offer their solutions.

I realize the minister is wondering what this has to do with the estimates of the Department of Public Works. I am coming to that. The department is responsible, among other things, for providing the facilities needed by the grain trade in western Canada. I was surprised that one very vociferous group, the wheat board, under the able leadership of its chairman, was able to provide itself with new facilities which were probably long overdue. I was equally surprised when an even more influential group, the Board of Grain Commissioners, failed to obtain new facilities. The minister may say he will not build them but I suggest he should be interested in extending the influence of the Department of Public Works into the construction of all public developments in Canada.

• (4:30 p.m.)

When I visited the Moose Jaw terminal, one of the large inland terminals discussed today by a number of hon. members when they spoke about the drying of grain, I was surprised to discover it was built 50 or 60 years ago and very little change has been made in it since. In fact the method of dumping grain there has hardly changed at all from the time wagons were used right through to the use of rail cars. This is another matter that must be considered. Most of the box cars still use the side dumping method, archaic beyond imagination in the context of a commodity which is one of the largest revenue producers for a great portion of our nation.

Damp grain is a serious problem at present, and if the government considers the construction of drying facilities this would likely come under the responsibility of the Minister of Public Works. The fact that there are no additional drying facilities at Moose Jaw indicates that the government has failed to meet a need it should have foreseen. Over the years farmers have been plagued with cyclical problems of drought and damp grain, and had the motion been allowed for a debate

today I would have suggested the construction of permanent drying facilities at the inland terminals. Grain could be transported to them for drying and rerouted to country elevators for storage. Although this would not be the best way to handle grain it would be better than putting damp grain into country elevators where, as a result of weather conditions, it may become a partial or total loss.

One of the recurring problems has been the shortage of box cars at the harbour and inland terminals. On occasion this has been due to the reluctance of the Canadian Pacific Railway to provide box cars at terminals when it was more advantageous for the railway to use them elsewhere. I know this is not the responsibility of the minister, but I think he will agree that if he provides additional drying facilities at the inland terminals and damp grain cannot be delivered there because of a shortage of box cars, the whole process will break down.

On a number of occasions we have appointed a transportation commissioner and given him control over box car allocation. This is something that should be considered in the present situation. Such a commissioner could allocate box cars to areas from which it is necessary to move damp grain.

We have spent years and much effort developing markets throughout the world for our grain. We are not going to be able to sell damp grain on the export market. No one in eastern Canada will be interested in buying feed grain if the present situation is not rectified.

I have visited the terminal elevators on the west coast and at the Lakehead elevator complex and have been surprised that the construction we have undertaken is not meeting the ordinary needs of today. Recently I read a pamphlet issued by the Japan trade centre dealing with a complete change in the type of shipping that will be used to handle many types of cargoes. Many new ships are being built to carry container cargoes. The containers measure 8 feet by 8 feet by 20 feet and 700 or 800 of them are carried on one ship. It is possible that we shall soon be exploring this method of moving grain from our inland terminals and, if so, the facilities at those terminals will have to be changed accordingly.

All of us remember the efforts made by the hon. member for Skeena to have port and grain handling facilities expanded at Prince Rupert. His efforts were opposed both by the hon. member for Calgary Centre and the hon. member for Niagara Falls when they occupied the position of minister of agriculture. However, I know that the Minister of Public Works, who comes from Canada's western maritime province, is familiar with the development taking place at Prince Rupert and knows the role played by the hon. member for Skeena in that development. The changes made at Prince Rupert will result in that port being able to handle new methods of cargo transportation.

If the government would direct the Department of Public Works to undertake new construction at inland terminals I believe that department has the necessary planning and construction know-how, although these things have not always been evident as some of my friends will argue in the case of the National Arts Centre in Ottawa. I am sure the minister will also agree that if his department rather than Mr. Bennett had had some say in the development of the facilities to be provided in the Roberts Bank project things would have been handled in a much more advantageous manner and many of the problems developing in the area might have been avoided. It is my opinion the minister has the facility to foresee some of the construction needs in his own area. Had he done so he might have avoided the problems which are now developing in western Canada, particularly those in respect of the lamentable situation which gave cause for an hon. member to stand up this afternoon and say we are not only drying a very limited amount of grain in terminal elevators but in inland elevators as well.

• (4:40 p.m.)

The members of the committee made a study of this situation and recommended that construction be undertaken to modernize the facilities for drying grain at a number of points on the prairies. As far as I know this has not been followed up by any concrete action. I presume that the drying facilities at the inland elevators have not been improved and that in fact there has been no substantial gain.

Those are the few remarks I wanted to make in this regard. I feel that the Department of Public Works has a responsibility in this field and that this house has the responsibility to pursue every avenue to see that a long term or permanent solution is found for some of these problems which occur year after year to plague various areas. One of these problems relates to inland terminals and is the result of the fact that we have not

constructed new facilities or modernized those built many years ago to meet horse and buggy demands in order to meet the demands of this modern day and age in which we live.

It is generally agreed by all concerned that this is one of the situations which might have been brought to the attention of the minister had hon. members been allowed to take part in the debate sought in the motion earlier today. It is my suggestion that the departments of government should not be divorced from one another and that when responsibilities affect large segments of our economy and our natural resources departments should work together so that an improvement accomplished by one will result in an improvement in the others.

Mr. Rose: Mr. Chairman, in rising to speak during the debate today I should like to say that in general I have supported the stand taken by the Minister of Public Works on the Roberts Bank superport issue in British Columbia. The minister was extremely forthright and decisive initially with the provincial government on this matter but as of late I feel he has been discreetly quiet.

I should like to make a protest about the veil of secrecy that has been dropped over the whole matter of the Roberts Bank superport, both by the Minister of Transport and the Minister of Public Works. This matter is of the greatest consequence to the future planning of the lower mainland of British Columbia and is probably more important than any project in recent memory.

As recently as August 17 I wrote a letter to the Prime Minister, the Minister of Transport and W. A. C. Bennett, the premier of British Columbia, in which I said that in view of the extensive ramifications of this project for the future of the lower Fraser valley and the resulting controversy, would it not be pertinent at this time to examine the Canadian National alternative route along the south bank of the Fraser river, a route which, incidentally, is favoured by the lower mainland regional planning board. Further, it would seem logical for a publicly owned railway to serve a port facility at least partially financed by the federal government. It appeared to me at that time and it appears to me today that this whole scheme has proceeded with undue haste, unreasonable secrecy and insufficient regard for the views of those people who are going to be most affected by this project.

On September 24 I submitted a notice of motion for production of papers and it was only recently, over a month later, that the government finally agreed to produce those papers. I hasten to point out that I have yet to receive any of the documents requested, but at least the government is on record as agreeing to produce them at some time.

I feel now as I have felt for some time that there is federal pussyfooting about this project and that the government has been less than frank with the house about the Roberts Bank negotiations and agreements. It is not to the advantage of anyone that this be allowed to persist.

The original proposal, under which the rail line to serve Roberts Bank was to go through the finest agricultural area in the lower mainland and finally proceed along the shoreline of Boundary bay, which incidentally is the last major recreational resource on the lower mainland for the purpose of public recreation and also as a wildlife refuge, created a huge public outcry. Premier Bennett recently bowed to this public outcry and after one of his famous second looks ordered a study to proceed under Mr. J. Broadbent, vice-president and general manager of the Great Eastern, a provincially owned railroad.

Mr. Broadbent's study and proposals have resulted in some alterations of the original proposal so far as the rail lines are concerned. However, while conducting his study, Mr. Broadbent neglected to consult the chief planning agency for that area, the lower mainland regional planning board which represents 28 lower mainland municipalities and is ultimately responsible for lower mainland regional planning. It seems ludicrous to me that the chief planning authority for the area should not even have been on the team to assist Mr. Broadbent in his study and recommendations.

The Broadbent proposal, as some members may recall, suggested that the existing Canadian National rail line be used from Clayburn to Fort Langley where it would then connect with British Columbia hydro links and finally the port, thus avoiding the rather tortuous and very costly route through the mountainous area of Matsqui, known as Mount Lehman and Bradner. The proposal also suggested that the rail line be removed some two miles from the beaches at Boundary bay to avoid very serious despoilation of the last warm water beach in the area. This seems to me to be a compromise, but it may be only part of the over-all concept. I am forced, because I have no documents, to make some guesses and assumptions. This government leaves me no alternative by denying me

access to the information I need to be deadly accurate.

Two British Columbia cabinet ministers, Hon. Ralph Loffmark and Hon. Frank Richter, had previously assured the lower mainland public that the original route was by far the most economic that could be chosen. Paradoxically, Mr. Broadbent's route is now being boosted as being the cheaper by some $7 million. What kind of hasty planning has our provincial government been up to when a $7 million anomaly of this kind can manifest itself in so short a time? It reminds me of the Ottawa arts centre estimate.

Mr. Broadbent's second stage of recommendations disturbs me possibly a little more. It foresees a new C.P.R. bridge at Albion to connect with Fort Langley, thus avoiding the use of the C.N. line. This seems to be directed toward the development of a rail loop which would give the provincial government owned railroad complete access into the lower mainland area, and anticipates a causeway over the arm of Burrard Inlet to the present P.G.E. lines. Apparently what has happened here is that the public has been asked to approve of a half-loaf set of rail links, which probably implies more than we have been led to believe up to this moment. I do not think that a rationalized rail system is necessarily a sinister thing, but I am afraid that once we have agreed to a portion of the line it is possible that a much larger system may be forthcoming.

• (4:50 p.m.)

I do not think any one link in a rail pattern should be considered in isolation. The general public is entitled to know what are the over-all plans and effects. I believe that by keeping this whole matter under wraps the federal government has defaulted in its responsibility for Canadian federal interests and has allowed provincial interests, the B.C. Hydro and Power Authority and the Pacific Great Eastern Railway, to drive a rather bold bargain with the national railways throughout the lower mainland.

Mr. Laing (Vancouver South): Mr. Chairman, would the hon. member permit a question?

Mr. Rose: I would prefer, sir, that I be allowed to finish.

Mr. Laing (Vancouver South): I was only going to suggest to my hon. friend, if I may, that while I would like to discuss all these matters in my position as a member of parliament from Vancouver and a minister from British Columbia, I would be entirely out of order if I discussed them now. They fall entirely within the jurisdiction of the Minister of Transport, whose estimates will be considered immediately after those of my department. Therefore I am certain my hon. friend will have to repeat everything he is now saying.

Mr. Rose: Mr. Chairman, I assure the minister that I would be most reluctant to repeat everything I have now said, and I know the minister would not want that. However, since the rail links are directly involved in the access to the superport, I suggest this question comes under the minister's department. I would be most happy if I were allowed to proceed with this question.

The federal government has been reproved once before because it neglected its duty to the people of Canada over matters concerning rail lines within a province. I cite the pertinent parts of the case of The Queen *v.* Board of Transport Commissioners before the Supreme Court of Canada, and later the Luscar case. Referring to the Luscar case, the judge said:

> There again the criterion of the jurisdiction is the fact that the operations are a part of the interprovincial system.

The question of jurisdiction before the supreme court was whether an Ontario government system for commuter trains using C.N.R. tracks came under the federal board. The court held:

> The constitutional jurisdiction depends on the character of a particular service provided on that railway line. The fact that for some purposes the commuter service should be considered as a distinct service does not make it a distinct line of railway. From a physical point of view the commuter service trains are part of the over-all operations of the line over which they run.

The court has since reproved the board and the federal attorney general for not appearing to argue for their jurisdiction and held that the provincial system was subject to federal regulation. On the basis of this ruling the physical character of the Roberts Bank route is that it is the sole rail connection from interprovincial rail lines to a federal port. That it may incidentally carry local deliveries from Vancouver by B.C. Hydro trains does not change the principal purpose or character of that rail connection.

Perhaps it would be to the benefit of everyone if there were a rationalization of the whole lower mainland rail system into a recognizable rail authority for the area. There is a federal interest involved here. I think the

federal government, since it is deeply concerned with the financing of the Roberts Bank port facilities, should be very interested in the composition of any authority or group which will control the rail access to this very important port and the Vancouver waterfront generally.

I would like now to quote from the British Columbia Gazette of September 26, 1968. My quotation is from the Canada-British Columbia Joint Development Act under which easement rights were negotiated between the province of British Columbia and the government of Canada. The pertinent part of the document is found at page 479 and reads as follows:

—hereunder has now been reached between representatives of the board and of Her Majesty in right of British Columbia (hereinafter referred to as the "Crown") with regard to the period May 17, 1968-December 31, 1969, it being expected that, prior to December 31, 1969, a permanent solution of the matter will have been reached in respect of all periods subsequent to that last mentioned date.

Paragraph No. 2 provides:

The easement rights granted by paragraph 1 above shall nevertheless terminate on December 31, 1969.

I suggest this is an extremely serious matter. We are spending millions of dollars on a federally financed port and the situation is that we have an agreement with the government of British Columbia that is good for one year only. In other words, it is a temporary agreement. It seems to me the federal government must be on guard so that it is not put into an intolerable position in bargaining with the premier of British Columbia. I note that the British Columbia Gazette to which I have referred has outlined this matter in some detail. However, what is missing alarms me very much. What happens after December 31, 1969, if Mr. Bennett decides to change the rules of the game? Will we have to carry the coal by helicopter down the rail line and across the then closed easement in order that it may reach the ships? Will the federal writ, which incidentally is to the low water mark, force the Minister of Public Works to roll up his pant legs and wade from the docks to the waterway? What appurtenances are part of this lease? Where will federal services be established for the storage of material and equipment? Where will the servicing be carried on? These are very serious questions and we must be careful how we deal with them.

We all recall that in 1961 the previous Conservative administration was invited to sit down with Premier Bennett on the Columbia treaty and ended up like the oysters in "The Walrus and the Carpenter". The National Harbours Board is now a tenant with a one year lease on the access to Roberts Bank, and Mr. Bennett is the landlord. One can visualize the renewal of that lease after December 31, 1969, being one where the landlord can padlock the tenant and where the board is at the dubious mercy of Mr. Bennett. When Mr. Bennett invites you to dinner, you might be the main course. I feel there has been an extreme reluctance on the part of the government to table the documents—

The Chairman: Order, please. It being five o'clock it is my duty—

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I think there is a certain disposition to continue with the estimates of this department. Do you want to deal with the question now or wait until the Speaker is in the chair?

The Chairman: Is it agreed that I do not see the clock?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): We have not had very long on these estimates today and I think there would be general agreement to continue until six o'clock.

The Chairman: Is this agreed?

Some hon. Members: Agreed.

Mr. Rose: I shall try to conclude as rapidly as I can, Mr. Chairman. As I was saying, I feel there has been a reluctance on the part of the government to table the necessary documents. This is because the government does not wish to face a test of federal constitutional authority and wishes to avoid a constitutional confrontation with the provincial government at this time.

The federal government is undergoing an extreme paralysis in asserting its authority and the result will be a mish-mash of port authorities all across Canada. In the example before us we have established a precedent in that a provincial government has been delegated, by default, powers that can be used against the federal interest in future disputes of this kind. I ask: Is the federal government concerned about this? I know the minister originally was concerned about it. If the government is no longer concerned about it, why not?

Federal railways are now being driven into agreements with provincial rail lines, and once the authority over these matters is frittered away or delegated it might be very difficult to get it back. In addition, the port terminal operators, which include the federal government, will in future be at the mercy of any provincial government in a position to exert considerable influence over the various costs of service to these ports. I think what is needed in this area to avoid future controversies of this kind is an over-all system, a rationalization initiated by a public authority so that the interests of everyone concerned are planned and considered.

• (5:00 p.m.)

I believe we are on the verge of making decisions that are going to affect the planning of the area I happen to represent and the areas adjacent to it for the next century, perhaps even longer. In my view the decision to go along with Mr. Broadbent's compromise solution pleases no one, including the national railways. The railways however, appear to be prepared to subordinate their own views and rights in order to ensure for themselves access to the superport at a later date. I think it is interesting that both the national railways seem to consider the establishment of the port at this time to be premature, if only because of their considerable financial investments on Burrard inlet in the Canadian Pacific Railway docks at Port Moody and the Canadian National Railways Neptune docks on the north shore.

Expediency is not a sufficient excuse for regional planning. The federal government, by its reluctance to act, is assisting Premier Bennett and defaulting on its responsibilities in this very important matter. If officials would be more open and forthright in explaining their position, most of us would feel much more comfortable.

Various municipalities have been concerned about this matter. Although some are prepared to endorse the present compromise on the grounds that it will provide more industrial development for their areas, I do not think this will happen, and even Mr. Broadbent seems to support the suggestion that high speed commuter trains do not really add much to the municipality's ability to attract secondary industries.

People from the lower mainland planning board still feel that the kind of energy devoted to the development of the Broadbent compromise might have been better directed. They continue to favour the route which would provide a communications corridor along the south shore of the Fraser river and avoid the problem of the beaches. Some of them even feel that a causeway would assist in the development of port facilities in the Ladner area of Delta municipality.

I should like to say Mr. Chairman, that I do not think we can stand idly by forever. We have to search for all kinds of information with regard to what on the surface appears to be a very erratic position that has been arrived at in haste and protected by silence. That is why on this side we have been pressing for about three months now to get the kind of information we need. We cannot reach any reasonable and sensible conclusions on the basis of the rather tight-lipped and terse comments from the government side of the house.

The province appears to regard the lower mainland regional planning board as being the equivalent of some small pressure group. This kind of attitude is only too prevalent in British Columbia. The province has recently placed a dredging reserve for gravel right in the middle of Boundary bay. One is moved to ask why the federal government has not placed a recreational reserve in the same area. This bay is situated on the very doorstep of a great metropolitan area whose population is due to double by the turn of the century.

Finally, it seems to me that exhibited here is a total lack of co-ordination between the federal and provincial jurisdictions. Roberts Bank was a provincial game reserve in 1947, as was Boundary bay, but in 1968 Boundary bay has become a gravel reserve. Everyone wants to know to what extent there is federal interest in this development. Has the federal government decided to abandon its interest? Do we have to wait until we are in a real mess before we act? We will need a Pacific development board like the board in the Atlantic provinces in order to prevent the area from suffering intense religional problems. How will we integrate federal interests with provincial interests. Must we wait until we have an entirely new organizational framework? I do not think it should be necessary to impose a structure like the Atlantic Development Board in order to have the region extreme cost when it can be prevented by intelligent foresight.

I think the reason we are heading for a mess is that we have lacked the kind of courage necessary to go in as a federal authority and make the decisions we need to make. We

have been forced to accept a compromise which is unacceptable, but we are doing this all the time. What will happen to the old Boundary bay airport? This airport can be easily declared a surplus property at some future time, just as Jericho was, and an entirely new interest could take over. At the moment it is only being used as a wireless station, although civilian pilots and some commercial transport pilots would dearly love to use this facility. The national wildlife service might be interested too in seeing Boundary bay became a wildlife refuge station and sanctuary.

People in this area are becoming extremely alarmed about where these rail links are going to go. The people of Fort Langley, for instance, are very concerned about what the changed route will do their community. There will be a line running through the very fine farmland along the Salmon river, and there is a risk it will destroy a fine residential area in the community of Fort Langley. Why is it necessary to have this third railway?

I should like to conclude by saying that the reason we have been so determined in pushing this whole question is that provincial political control of the lower mainland railways and port facilities seems to be the main stake in the whole matter. If this is so, we can deal with it. If it is not so, that is another matter, but in any event we are entitled to know what the real objectives are. Surely we can avoid a constitutional confrontation with Premier Bennett. We must be sophisticated enough so that we can plan with the province and do this whole thing openly. It has been suggested that there has been a public hearing with various groups. What happened was that Premier Bennett called to his office various petitioners one by one. This is not a public hearing.

I hope there will be some resolution of this hassle and I hope we can avoid constitutional difficulties. However, I doubt it because I think we will be heading toward this sort of thing as long as we keep matters of extreme national and, incidentally, local concern under a hat. I realize I have been persistent to the point of boring the house, but I do not think this is important so long as something is accomplished.

Finally, I think it is time the federal government acted decisively to protect the public interest and gave us a definitive legal opinion on whether or not it has the authority to take charge of this whole project and bring it to a reasonable, long term and sensible solution.

[Mr. Rose.]

• (5:10 p.m.)

[*Translation*]

Mr. Mongrain: Mr. Chairman, in commenting on the estimates of the Department of Public Works, I must pay tribute not only to the minister, but to his staff, which I have met on several occasions. Quite a few of my colleagues, I think, have met these officials, particularly in parliamentary committees. This team which, together with the minister, ensures the efficient administration of the department, is exceptionally competent and particularly convinced of the importance of its responsibilities towards the Canadian public. For example, I am among those who have admired the ease with which these officials answer the most complicated questions, which proves that they know their department thoroughly.

They deserve to be praised for that to offset criticism levelled at them. Of course, Mr. Chairman, when a service of that size is concerned, it is always possible—to use a very popular expression where I come from—to pick holes in something and find cracks in the shield when one must absolutely find fault with something. I think, however, that the department is well administered as a whole. Moreover, I think that the Minister of Public Works (Mr. Laing) showed exceptional courage when preparing his estimates by cutting them drastically to meet that financial situation and the wishes of the Minister of Finance (Mr. Benson) who had asked his colleagues to set an example to the provincial and municipal governments. In fact, he asked them to be extremely moderate with regard to capital expenditures precisely to prevent crises as serious as those we deplore in some European countries, such as England and France.

When the session began, Mr. Chairman, I tried for a few weeks to keep tab more or less of the amounts asked in this house from the Department of Public Works and other departments for works which normally should have been carried out only by the Department of Public Works. They added up to approximately $2 billion. I must say that most of those requests dealt with works which normally could be justified but that, under the circumstances, could certainly not be undertaken without seriously endangering the financial and economic situation of Canada and dangerously straining the budget. I am sure that the minister had to show great courage for he must have been subjected to extreme pressure. When one considers an administration as important as the federal

government, one must take into consideration the representations made to the ministers, the subtlety with which they try to establish priorities, to give precedence to what is most urgent and to put off till the morrow what can wait. But this is not the main part of my remarks this afternoon, Mr. Chairman.

I would like, during the discussion of the estimates, to deal with the National Arts Centre. Many criticisms have been made about this national monument built for the centennial of confederation. I had the advantage of sitting on the committee which heard the evidence given by the Secretary of State—responsible for the National Arts Centre—his whole staff, the directors of the centre, those responsible for the various committees that studied the plans progressively, the architects, some government advisers, as well as officials of the Department of Public Works.

We questioned them very closely on everything. I do not think that one detail escaped our questioning, and we even questioned them at least two or three times on the same matter. Some of my colleagues are past masters at questioning witnesses and pumping them. Furthermore, people say in some circles that there has been a scandal. Here is a monument, they say, which was supposed to cost about $18 million, at the outset, and later $29 million; now, according to experts, it will cost $46 million.

Of course, Mr. Chairman, the opposition could see in this a golden opportunity to say that there was a major scandal. However, in spite of repeated questions, and all the subterfuge they could resort to, those who were interested in finding a scandal, could not even find a trace of one. In fact, Mr. Chairman, we have proof today that this building costs $46 million and this is, in my opinion, the most significant fact.

If evidence of squandering or patronage could have been found or if some politicians had taken advantage of the situation to gain some personal benefits, I too would say: "There is a scandal", but such is not the case. Everything has been conscientiously checked, not only by one, two or three men, but by dozens of men and at least half a dozen control committees.

There was, for instance, the commission set-up to prepare the plans. There were the architects and engineers and even consulting engineers. Also, the officials of the Department of Public Works. And then, of course, Treasury Board. Mr. Chairman, it seems to me that makes a team of serious people, very much aware of their responsibilities. Then, how can we explain such differences in costs between the initial estimates which were around $18 or $19 million and the actual cost of $46 million? It is very simple for those who seek the truth.

First of all, they had thought about building on a given site which was changed for all kinds of reasons that would take too long to explain. Then, they chose another site, only to discover that the subsoil was of solid rock. Therefore, the cost immediately went up. Then, after the preliminary blueprints had been completed, they realized that a parking space for 900 cars was needed. In a rock foundation, the cost of this would reach a few million dollars. Then, they thought special sound-proofing was necessary. Everybody will understand, of course that if, during a concert, one can hear noises originating from the furnace and from the air conditioning, music lovers will not be happy, especially if they are perfectionists. Thus, many things which were judged essential in order to have a perfect public building were added as work progressed. The construction of a $20 million monument which would not have been perfect would not have given us any national pride. Now, since it is a unique monument which is built once in a century and there are so few throughout the world, it was surely impossible for those who drew up the plans to foresee those things.

I agree that, in an ordinary construction, some time is required to establish plans, specifications and costs, but in the present case, it was an exceptional and huge monument. It even belongs to a field where we have no experience in Canada. It is even something almost unique, if we compare that centre with other monuments throughout the world, because ours will be more modern.

The whole construction was performed with all the guarantees which I have just mentioned under the supervision of those various committees and with the approval of Treasury Board. I myself put the question bluntly to some of the witnesses. For instance, I asked the deputy minister of public works: "Can you tell me that the monument we have there is worth $46 million?" And he replied: "Yes, of course, what we have here is worth $46 million. The difference between the original estimates and the present cost, the true cost, is due to the additions that were made."

Certain things, for those who are not knowledgeable, are absolutely scandalous. At

one point, the director told us: "The curtain of the large theatre will cost $72,000." Mr. Chairman, can you imagine the reaction of those who know nothing about the situation. As for me, my eyes popped out when I heard that the curtain would cost $72,000. But, when we were told what kind of a curtain it is—that it was necessary to draw up plans and specifications—when we were told that only one plant in the whole world could make curtains of that size and that it is located in Japan, I understood better. It is a plant which has been in existence for 800 years. Naturally, this curtain had to be packed in a special way in order to send it to Canada. One can then understand this figure of $72,000. It may seem excessive, for example, to people who have no experience of these matters, who live in isolated parts of the country and who are struggling with poverty. However, in the case of a monument which reflects the soul of a nation, this sum is not excessive, for the best is not too good for a country such as Canada.

• (5:20 p.m.)

Mr. Chairman, when a country reaches maturity and wants to compare itself with others, it must be able to do so favourably, and the best is not a luxury in our country. The National Arts Centre will be a source of pride for all Canadians.

Some hon. Members: Hear, hear.

Mr. Mongrain: It has been said that the way those things added up is questionable. Mr. Chairman, it is obvious that normally things are not done that way. It might happen that a construction project, even an important one, might include one, two or three additional features, but not as many as in this case. It is obvious. Monuments like that one are not erected every year; one is built every hundred years and it might be another three hundred years before another one is built. It is important that those additional expenditures be checked as they occur, that they be justified by various bodies that controlled one another.

This criticism was also heard: It will not be an economic proposition. Of course, it will not be so fundamentally. No one ever thought, for instance, that parliament would be a paying proposition in itself. That is obvious. No one ever thought that the C.B.C., set up as a public service, would make money.

[Mr. Mongrain.]

Many other things are not economic in our country, Mr. Chairman, but if they are not, as far as money is concerned, they nevertheless constitute an enrichment for a country like Canada. Canada must provide Canadians not only with bread but also with culture and arts. Canada must give all its children the possibility of making the most of their talents and developing them here instead of having to go into exile to the United States or European countries.

So, Mr. Chairman, these things cannot be valued in dollars; they have an intrinsic value. These are intangible things that depend on money but which intelligent people understand; those who do not understand are lacking in intelligence and goodwill, or they are over-critical. That seems quite obvious to everyone. We say: It is a great luxury. But, after visiting the establishment and examining the plans, we realize that the building is really functional. Everything that we could describe as a great luxury does not exist. As a matter of fact, lines are simple, and costly accessories as we find in European institutions have been avoided to achieve a solid work that will perfectly meet the needs of the most demanding artists and even the perfectionists.

There have been insinuations for a time that Ottawa had been favoured to the detriment of other small towns that do not have the same advantages. That is a lot of childishness, stuff and nonsense, because Ottawa after all is the capital of Canada.

If we wanted to erect a monument which was to be the property of Canadians, then the right place to do it was in the national capital. Canadians and people from abroad, who will come to visit our national capital, will be very happy indeed to see the monument commemorating the first centenary of confederation. As for us, we shall have a little more pride in ourselves.

Mr. Chairman, some people have suggested that this building entailed extravagant expenditures. But figures never tell the whole story. We could have built a $20 million monument which could have been inadequate. This would have been wasteful expenditures and could rightly be called scandalous. Now, we have a $46 million monument which financially cost us more, but which meets all the requirements of the greatest perfectionist in the world. We can invite the most demanding companies of the whole world and they will be happy—and this is already evident—to perform here.

Mr. Chairman, we owed such a monument to Canada, our country. We owed it also to the young Canadians who will come after us and who will find here not only a reason to be proud of their country but also a place where they will be able to reach their ideal and continue to improve their knowledge in their field of interest. It will also be a centre to which our Canadian artists in exile will be able to return. Already a number of them are ready to come back in order to pursue their artistic career, thanks to the monument erected by the Canadian government which will be, as I say, a source of inspiration for all Canadians.

I think that it would be mean to keep on criticizing the National Arts Centre. Everyone readily understands what I mean. Therefore, we should try to make everyone realize that a country which aspires to such great fortunes, which is on the point of coming to maturity, and wants to play a part among the great nations, must from time to time achieve great things such as the National Arts Centre. Great things, of course, cost money because one does not get anything for nothing and it is not always the cheapest things which are the best.

In my opinion, it was a good idea to clarify the matter because it has been attempted too often to seek in that cause for scandal. Efforts were even made at a certain time to call the former minister of public works (Mr. McIlraith) to account, when everything had already been accounted for by a lot of people involved in every phase of the construction of that building. I call on the members who have not visited this Canadian Arts Centre to go and visit it as soon as possible for their enlightenment.

[*English*]

The Chairman: Order, please. I hesitate to interrupt the hon. member but I was listening to him quite carefully and I thought he was talking very skilfully and in a general way about public buildings in Ottawa, cultural buildings, and so on. In that sense he was quite in order. However, I draw to his attention the fact that the arts centre specifically falls under the estimates of the Secretary of State. If he wants to deal with that specific building then the hon. member should wait until those estimates are before the committee. If he wishes to deal with public buildings in a general sense, then he is, of course, in order.

[*Translation*]

Mr. Mongrain: Mr. Chairman, you are right. However, allow me to point out very respectfully that in the committee on broadcasting, films and assistance to the arts, when questions were put to the Secretary of State about the construction cost of that building, he referred us to the Department of Public Works. He told us that if we wanted to deal with cost, amended plans, increases or extensions, we should apply to the Department of Public Works. Complaints were made to the Minister of Public Works, Mr. Chairman, and not to the Secretary of State.

I am speaking, of course, of the building which was constructed by the Department of Public Works and of its cost to Canada. In order to justify that cost, of course, I am speaking of the future use of that building. I apologize, because I seem to disagree with you, Mr. Chairman, but I think that it is not so much a difference of opinions. I feel that you were impressed yourself by all the good things I said about the future use of the building and I am pleased to have been eloquent enough to convince you. I hope I can also convince all my colleagues. However, basically my argument was meant to prove that the cost is not excessive, that the successive increases are largely justified, and that all the experts agree in saying that the monument, which has been added to in the course of its construction, is really worth what it costs us.

Besides, there may be a reason to justify why we proceeded differently in this case. Indeed, there was a date line. It had been hoped that it would be completed for the centennial year, which was impossible. So, Mr. Chairman, under the circumstances, there is nothing to fuss about. It is a beautiful monument and we should be proud of it. It cost no more than it normally should have.

I shall conclude on a short remark which has absolutely nothing to do with the Arts Centre but which concerns the Department of Public Works. I am thinking of the retaining walls along the shores of the St. Lawrence in my riding and in some of the others. In fact, I mean my riding and the neighbouring one. The Department of Public Works is responsible for the construction of those walls to prevent land erosion.

I should like to ask the minister, his inspectors and his officials, to proceed with this work as extensively as possible.

I have seen with my own eyes certain lands being eroded to the extent where the shore

has now reached the house or the cottage. The tide or the waves have nibbled away, in certain cases, some 100 or 150 feet of land; trees measuring 15 or 18 inches in diameter have been uprooted. And some experts say: We are not to blame, the waves cause that.

I have had the opportunity perhaps a hundred times, of seeing that the erosion is caused by the waves, but, in most cases, by waves stirred up by ships that go by too fast. Year after year, those waves nibble away at the shores, to the detriment of the shore owners. I feel that very often the inspectors of the Department of Public Works are really too severe and blame too easily natural erosion for the disappearance of the land of the shore owners. I would therefore ask the minister whether it might not be possible to ask those inspectors to be, let us say, a bit more human in their conclusions or to file more complete observations and not to be merely content with spending let us say 20 minutes or half an hour on the site and then say it is erosion. Let them go and see at different intervals. Let them go there when large ships are going through. They will realize that, in my riding and in the two adjoining ones—and I speak of this because, naturally, the cottages there belong to people in my riding—navigation produces erosion which causes great damage and is very costly for the shore owners.

I think the same situation exists on the other side of the river; anyway, it does on my side. I myself have made representations to the department; in most cases, I did not get a satisfactory answer. Mr. Chairman, I intend to raise the matter again with more details because, in my opinion when these shore owners built houses 100 or 150 feet from the shore, they could not predict that their cottage would one day be swept away by the tide, which is more or less what is happening today.

• (5:30 p.m.)

[*English*]

Mr. Forrestall: Mr. Chairman, at this stage of the estimates I wish to ask the minister a few questions and at a later stage perhaps he may be able to answer them.

I say to my hon. friend who recently sat down that if he is worried about erosion problems he should consider the erosion that has taken place on the east coast during the last thousand years. He should thank his lucky little stars for his problems. If ships are giving his constituents problems the port of Halifax will certainly welcome all those that go up the St. Lawrence.

Can the minister say whether his department is in a position to consider the recommendations of the so-called Murray Jones report that deals with the development of the general over-all land use within the confines of the port of Halifax and Bedford basin? Specifically, is the department able to make specific recommendations flowing naturally from the important observations contained in the Murray Jones report? On the Halifax side of the port I know the department is bringing to a fairly rapid conclusion the development of container facilities. It is appropriate at this time for me to ask the department to look at the long range implications of this development and to consider adequate and proper utilization of the land surrounding the basin and the port. In this connection the Murray Jones report is most important.

I apologize if the answer to my next question is a matter of public record. Has the government advised the province of Nova Scotia or the Halifax-Dartmouth bridge commission that it will participate in the construction of the second harbour crossing, the approaches to that crossing and the crossing of the northwest arm?

If I may be parochial, may I ask the minister to advise the committee of the present status of plans for a new federal building in the city of Dartmouth? Do current plans within the department call for the construction of such a building or is it contemplated that suitable and adequate space may be leased elsewhere?

My last two questions are of pressing concern to some of my constituents. First, may I make a direct representation on behalf of one of the more active fishing areas in the constituency of Dartmouth-Halifax East. I am speaking of Little Harbour, and the minister will know what I mean when I say I understand the department's difficulties with regard to Little Harbour. It is all a question of priorities. I urge the minister and the department to make provision for Little Harbour in next year's estimates. That, Mr. Chairman, is an unabashed and straightforward plea.

Finally, may I ask about the access road to an old and traditional area, the breakwater at Eastern Passage in Halifax county. The piece of land in front of the breakwater recently was sold for back taxes. The fishermen in the area had to acquire this land; they had to pay the back taxes in order to be assured of

access to the breakwater and the wharves adjacent to it. I respectfully ask the minister to look into this matter. I hope to ask the minister more questions when we come to later votes but for the time being that is all I wish to ask.

Mr. Paproski: Mr. Chairman, I wish to ask the minister a few questions to satisfy my curiosity about an article that appeared in the Ottawa *Journal* on Tuesday, October 1, 1968. The headline reads, "DPW 'Philosophy' Switch Saving Taxpayers Money". The first two paragraphs of the article read as follows:

> It cost something like $10,000,000-plus for the 18 floors of 220-foot high Judy's Tower out at Tunney's Pasture. And now public works is running up 23 floors of a new 253-foot high-rise two blocks away for $6,694,000. How come five more floors and 33 feet of height cost better than $3,306,000 less? And at today's construction prices, running far ahead of those of five years ago? The answer, says public works, is a "break-through" in a lot of things. But mostly in departmental thinking.

I wish to ask the minister a number of questions. Was a clear and precise building program formulated for the private commission as well as for the department's own design? On what basis is the public plan more economical compared with that of the private commission?

For example, let us take the over-all floor area and volume. What is the usable floor area and what is the ratio of net to gross. How flexible is the design? What are the respective finishes, exterior and interior? What is the extent of partitioning? Is it the same or will it be greatly reduced? What amount of built-ins and fixed furnishings is included in both cases? Also, what was the total environmental control that was required in both cases? What other features were sacrificed or felt to be unnecessary at this time? What would be the total cost per square foot of the building, if it were designed privately or publicly, at the stage when the building is ready for occupancy?

• (5:40 p.m.)

Another question I might ask is this. Is the architect's fee equitably included in the cost for private and public designs? Are the hidden costs of public administration, such as use of office space, light, heat, janitorial services, building maintenance, depreciation, blueprinting, office supplies, general administration, owner's job supervision, etc., included in the comparison? Third, what assurance can be given that the new estimate will not be exceeded during actual construction? When the Department of Public Works submits its publications for the people of Canada to read, this is the type of information which I think should be given.

Mr. Harding: Mr. Chairman, there are one or two constituency matters I should like to bring to the minister's attention. Some of them relate to wharves. First, I should like to point out that when the Columbia river treaty was signed and the Arrow dam built just north of Castlegar practically every wharf along the Arrow lakes was destroyed. Many of the communities had to be relocated. I do not know what kind of agreement the federal department has with B.C. Hydro for the replacement of these wharves but I suggest the minister should acquaint the committee with the terms of any agreement which may exist in this regard.

I point out that to date only one wharf has been replaced along the Arrow lakes. That wharf is at Nakusp. The department has done a reasonably good job; there are several complaints which I have taken up with the minister, and he is kindly looking into them. I am sure that quite often the hon. gentleman will find the B.C. Hydro authority coming to his department to say there is no need for the replacement of wharves at little places like Burton, Fauquier, Edgewood, or other communities which are springing up along the Arrow lakes. But they had these wharf facilities prior to the flooding. The new community of Fauquier has been in contact with me regarding the wharf; the people wanted to know to whom they should write. I gave them the minister's address and he may well have received a communication from them by now.

I suggest to the minister that in no circumstances should he allow his department to keep from these new communities which are springing up or which have been moved back from the water line the boating facilities which they enjoyed before the High Arrow project. I am sure it is only a matter of time before he receives requests from Burton and Edgewood in this regard, and I trust he will give them sympathetic attention.

The department has been dealing for some time with another wharf—really it is a breakwater and boat bay—being built by the town of Ainsworth on Kootenay lake. This is not a large community but there are not many communities like it in Canada displaying the co-operative spirit which this little community has shown. Public works engineers who have been there to see the boat bay and the breakwater estimate that at least $12,000 in

labour has already been spent on it. They put a cat in to clear the area. They put a shovel in and dug out an area where boats could shelter. They hauled a vast amount of rock. They supplied logs and built a breakwater so that boats in that area could shelter in the event of a storm. The minister knows this lake well and he realizes this is the only spot between Kaslo and Balfour where a boat can run for shelter in the event of a storm. I have seen the estimates of the cost. They are fairly high; in fact, some local people believe they are too high. But I ask the minister this: will his department match the $12,000 in the coming budget? That is the least he could do, give an additional $12,000 to the people of Ainsworth so they can add to the structure they have started. Perhaps a further amount could be included in some future budget.

Let us give encouragement, for goodness sake, to a community which has the intestinal fortitude to go out and do something for itself. They are hoping to build a little launching ramp where boats coming from Nelson to Kaslo and Ainsworth can get down to the beautiful Kootenay lake, one of the best fishing lakes in Canada. We do not catch little fish there; we get them up to 30 pounds, big rainbow trout, and people come from all over North America to this fine fishing area. The local people need places to launch their boats. Today people have more leisure time than in the past. They have their little cabin cruisers and rowboats and motors and they need places from which to launch them. We need more of these facilities and I urge the minister to put this work on his agenda for the coming year. It is not asking very much when one considers the vast amount covered by these estimates.

There are one or two other matters I should like to deal with while I am on this subject. We have heard a great deal about roads to resources and there is one road in particular I should like to mention. I refer to the Stuart-Cassiar road. At one time the federal government used to share in the annual cost of this road. Cassiar, I might say, is a whole mountain of asbestos in the northern part of British Columbia, and the road is designed to give access to this area. I do not think a better expenditure could be made in this part of British Columbia than by completing this road into this part of the country and giving access to a region which is extremely high in minerals. Perhaps the minister could tell us why the agreement fell through. I know he has a difficult customer to deal with at times in the premier of British Columbia. Sometimes the demands from the provincial government might seem a little high. But I do feel the federal government should be sharing at least in this particular road. The lack of money is delaying its completion. A lot of money has already been spent on this highway and I think we should continue it and make certain it is completed at a very early date.

[Mr. Harding.]

• (5:50 p.m.)

I wish to say one more thing and it is in connection with Roberts Bank and the premier of British Columbia. I think two portfolios may be involved here, and possibly the Department of Transport is the one to which these remarks should be addressed. However, a number of years ago we had a minister here by the name of C. D. Howe who knew how to say no to Premier Bennett when the premier of British Columbia was wrong.

I recall when the deal to sell the water of the Columbia for a song to Kaiser was under consideration and how C. D. Howe told the premier of British Columbia, "We are not going to go for this foolish deal—period." The federal government of the day had the courage to pass legislation and stop the foolish sell-out of a resource.

We can erode federal responsibility to the point where it will become ineffective. I say it is now time for a minister in the federal government to stand up to Premier Bennett and say no. If harbours and national transportation are federal responsibilities, then let us have the courage to tell this man no and mean no.

Mr. Laing (Vancouver South): Mr. Chairman, I would like to make a few remarks following the long series of statements that have been made by members. I want to tell the members who have participated in the debate that I am grateful for what they have said. Most of their comments were valuable. Most of them were very generous to the department and to me, and I appreciate that.

I am a new boy in the department and am fully conscious that I have got to take some time to grasp the work of the department and to learn the aspirations of members in various parts of Canada because here we are dealing with bringing services directly to people. Therefore this department is extremely important to people who live in the more remote areas of Canada, and because of that is extremely important to individual members

of parliament. The individual member of parliament is given credit for obtaining those services which are part of the daily lives of the people in all areas as the result of the representations that he has made in the House of Commons. In other words, Mr. Chairman, this is a far more political department than the one I was in charge of formerly. However, I want to say to hon. members that in the operation of the department I will assure them that no constituent of theirs in any part of Canada is going to suffer for the sole reason that constituents themselves were foolish enough to put a member on the opposite side of the house instead of on this side. I think that is an assurance that is due to members' constituents in all parts of Canada. I give them it unconditionally, and I will see it works that way.

In this department we are dealing with a variety of extremely important services such as dredging, the building and maintenance of harbours, and the erosion of water frontage, the question raised by the hon. member for Trois-Rivières. We are doing what we think is fair. Where the responsibility for erosion is at least 50 per cent because of the effect of transportation in rivers or the building of government installations, then we accept the full responsibility for preventing that erosion. Where it is less than that we try to negotiate on the basis of a breakdown, after discussion and investigation by our engineers.

Several hon. members discussed the important question of services and assistance for the tourist business. A very important tourist industry is developing for Canada through the use of pleasure craft. As a matter of fact my department has received a report from the west coast which shows that there are no less than 71,000 tourist boats in Georgia Strait. In passing I may say I have a friend who has a yacht in that general area, and he says that if we could only put the commercial fishermen out of business he could catch fish that would produce not 65 cents for a half pound but over $8 per pound. Indeed the tourist business today is extremely important and we have to pay more attention to it than we have in the past when we restricted our activities to dropping some stones to provide protection for pleasure craft. That is not the final answer.

I now wish to deal with the remarks of the hon. member for Western Nova who said that a number of fishing villages were inadequately taken care of in respect of accommodation. I draw his attention to the fact that we are moving into an era when larger boats are going farther off shore and, as a consequence, the type of facility required in respect of dredging and the building of docks is far more expensive than hitherto. Instead of building a great number of very small docks we shall have to point out to the fishermen that we will have to build a small number of larger docks which will require bigger expenditures. I would point out that in the case of representations which my department has received for the expenditure of $70,000 or $80,000 on a small wharf we have discovered that the amount of fish crossing such a wharf was not more than two tons a year. It is unreasonable on the part of people in such instances to expect that we make such expenditures.

I think it was the hon. member for Edmonton Centre who made reference to our intention to build utilitarian buildings. I am in favour of such buildings. I am of the opinion that a person who goes to work is entitled to a comfortable atmosphere but I do not think he should be provided with luxurious surroundings. He is supposed to enjoy that at home.

An hon. Member: Tell Joe Greene that.

Mr. Laing (Vancouver South): So far as I am concerned, in the erection of buildings for the accommodation of servants of the public I am disposed to insist upon a greater degree of utilitarianism than in the past, and in the case of the building mentioned, which we are erecting for $6.5 million, about $16 per square foot, we are emphasizing the utilitarian nature of the building. At the same time I think the departmental buildings are entitled to have a little bit more sugar cake, if you want to put it that way, but when we double or treble the cost per foot in order to erect a building then I think we can do with less prestigiousness, and that is what we are driving for at the present time.

The hour is now six o'clock, Mr. Chairman, and again I want to thank members who have participated in the debate. I want to assure them that in respect of all the questions they have asked they will individually receive a letter from the department giving them direct answers.

Mr. Bell: Mr. Chairman, we are quite happy with the minister's explanation and, even though it is nearly six o'clock, if you would like to call some of the items we would be glad to co-operate.

The Chairman: Shall vote 1 carry?

Mr. Gilbert: Mr. Chairman, there were some questions I asked on vote 1. I am sure the minister would like to take some time and answer them, so I would call it six o'clock.

Progress reported.

Mr. Deputy Speaker: Order. Before leaving the chair I should like to remind hon. members of the provisions of the special order adopted on Friday, November 22, 1968, which suspended tomorrow's sitting. It being six o'clock this house stands adjourned to meet again at eleven o'clock in the morning on Friday, November 29.

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

HOUSE OF COMMONS

Friday, November 29, 1968

The house met at 11 a.m.

COMMITTEES OF THE HOUSE

Third report of standing committee on labour, manpower and immigration—Mr. Caccia.

[*Note: For text of above report, see today's Votes and Proceedings.*]

SPECIAL COMMITTEE ON PROCEDURE—SECOND REPORT

Mr. D. Gordon Blair (Grenville-Carleton): Mr. Speaker, I beg leave to present the second report of the special committee on procedure of the house, and later this day will ask leave to move concurrence.

Mr. Speaker: The hon. member for Grenville-Carleton (Mr. Blair), seconded by the hon. member for Vancouver Quadra (Mr. Deachman), moves for leave to present the second report of the special committee on procedure of the house.

Some hon. Members: Agreed.

[*Later:*]

Mr. Blair: Mr. Speaker, I move:

That the second report of the special committee on procedure of the house presented earlier this day be now concurred in.

Mr. Frank Howard (Skeena): Mr. Speaker, because of the nature of this report—

Mr. Speaker: Order, please. I should first put the motion.

Mr. Howard (Skeena): I intend to deal with that, Mr. Speaker, because I do not think you should put the motion in view of the lack of unanimous consent, the nature of the report, and the fact that it may require some discussion to determine whether we should give this committee an extension of time or just let it flounder.

Mr. Speaker: Order, please. I must bring to the attention of the hon. member that leave was obtained earlier when the hon. member sought leave to introduce the motion. The only thing the Chair can do now is put the motion. Then it will become debatable and hon. members can express their views at that point.

Is it the pleasure of the house to adopt the said motion?

Some hon. Members: On division.

Motion agreed to on division.

THE MINISTRY

REPORT ON MINISTERIAL MISSION TO LATIN AMERICA

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the ministerial mission to Latin America returned to Ottawa on Wednesday of this week. I wish today to make a brief statement about the mission and its work, a mission which I am convinced marks a turning point in our relations with Latin America.

The house will recall that shortly before the mission left Canada the Prime Minister stated that its purpose was to assist the government in its review of policy toward Latin America, a part of the world with which we believe Canada should develop closer relations. The mission's main tasks were as follows: to explore the common benefits that might result from closer relations with Latin America; to explore all important aspects of Canada's relations with Latin America, political, economic and cultural; to demonstrate our desire to draw closer to Latin American countries on a bilateral basis and the importance we attach to our relations with the hemisphere as a whole; to enable ministers to have direct consultations with important Latin American leaders and to observe at first hand developments in some of the important Latin American countries; to review not only relations with Latin American countries but also world issues in which we and they have a common interest, and, to make Canada better known in Latin America, and to establish a basis for better understanding of Latin America on the part of Canadians.

• (11:10 a.m.)

The government felt that to accomplish these objectives it was necessary to send ministers who could speak with authority on matters of foreign policy, trade and economic questions and cultural affairs, supported by a

strong team of officials drawn from the departments and agencies of government principally concerned with our relations with Latin America. To gain a broad perspective on our relations with Latin America, the mission visited as many countries of that area as possible.

At one time or another five ministers took part in the mission. They were the Minister of Industry, Trade and Commerce (Mr. Pepin); the Minister of Energy, Mines and Resources (Mr. Greene); the Secretary of State (Mr. Pelletier), the Minister without Portfolio from Saskatchewan (Mr. Lang) with responsibilities in the field of industry, trade and commerce, and myself. My parliamentary secretary (Mr. Goyer) also took part. We so arranged our time that at least three of us were present in each country. In this way our three main areas of interest, political, economic and cultural, were always well covered.

Ministers were supported by senior officials of the Department of External Affairs, the Department of Industry, Trade and Commerce and the Department of the Secretary of State, as well as of the Canadian International Development Agency, the Export Credits Insurance Corporation, the Canada Council, the National Gallery, the National Film Board and the Canadian Broadcasting Corporation. Most of these officials were with the mission throughout the tour.

The mission visited nine countries; six in South America—Argentina, Brazil, Chile, Colombia, Peru and Venezuela; one in North America—Mexico—and two in Central America—Costa Rica and Guatemala. The tour lasted approximately one month. In each country ministers were received by the president and had a series of meetings with ministers of the host government. In most countries we talked with leading members of the legislative bodies and with some representatives of regional and international organizations. Certain officials had individual meetings or made brief side visits, sometimes to neighbouring countries not covered by the official itinerary. In all these meetings a very wide range of subjects was discussed in considerable depth.

In the political field we discussed hemispheric questions and current international issues. In the trade and economic field we discussed trade in the multilateral context, bilateral trade, financing and investment. Everywhere we went we found that development is a main preoccupation of government.

[Mr. Sharp.]

In the cultural sphere, to which the Latin Americans also attach great importance, we explored a wide spectrum of activities ranging from scientific research to film production. I would like to emphasize that our discussions related to concrete possibilities as much as to general policies and procedures.

While we worked mainly with governments we paid special attention to private institutions which, both in Latin America and in Canada, have an important role to play in developing our relations. We had meetings, for example, with chambers of commerce, with university rectors, with museum directors and leading experts in the arts. We met with Canadian businessmen and with Canadian missionaries, religious and lay, and with other volunteer workers. In all these meetings we were greatly impressed by the importance of the part which private individuals and groups can play in the pursuit of goals shared by the peoples of Canada and Latin America.

In every country we visited we were offered a warm and most hospitable reception. The atmosphere in our talks was at all times cordial, frank and, as a rule, quite informal. The scope and frequently the depth of our exchanges were striking; we entered into a dialogue which we intend to continue.

Our mission was widely publicized in all the countries visited. Good coverage was afforded by the press as well as by radio and television stations. I can assure the house that the presence of the mission was felt in Latin America.

There is one feature of the mission which I would like to mention. The mission was an excellent projection abroad of the Canada of today. Almost every member of the mission was bilingual in French and English. In addition many could speak Spanish or Portuguese.

The mission has amassed a great deal of valuable information and has formed impressions and tentative opinions which will clearly be of great assistance to the government when completing its review of relations with Latin America. The substantial preparations for the mission and the work of the mission itself constituted the first phase of that review, and much has been accomplished in this first phase. Some projects which can be advanced under present policies and procedures have been identified; a few of these have been carried to completion and the others will be followed up without delay.

One example is the establishment of a joint Mexico-Canada committee for the consideration of matters of common interest to the two

countries in the political, economic and commercial fields. The committee may also consider other matters such as, for example, cultural relations. With the leave of the house, I wish now to table, in English and in French, the note on this subject which I signed and handed to the foreign minister of Mexico when the ministerial mission was in that country. This note and the note which the foreign minister signed and handed to me in reply constitute an agreement establishing the committee.

Mr. Speaker: Has the minister leave to table these documents?

Some hon. Members: Agreed.

Mr. Sharp: I am glad to be able to report that the mission accomplished the objectives set by the Prime Minister before its departure. It is the desire of the government to determine, in the shortest possible time, how present possibilities may be translated into action within the framework of our broader foreign policy review. The members of the ministerial mission will now reflect on what they have found and seen and heard and will shortly make a report to the government.

I would like to make clear that it is the intention of the government, before completing its review of policy toward Latin America, to consult individuals and groups within the Canadian community which have an interest in Latin America and, in parliament, to submit the review to critical examination in committee. In this process the government will welcome presentations and representations from all sides. I would add that the ministerial mission itself has given a new impetus to the development of Canadian relations with the countries of Latin America.

I am sure I speak on behalf of all members of this house when I once again express to the governments and peoples of the countries we visited our sincere thanks and deep appreciation for the reception they accorded to the ministerial mission. To the governments and peoples of the countries of Latin America which the mission was not able to visit I would like to say that in undertaking our voyage in Latin America, we were extending the hand of friendship to them also.

I would like to take this opportunity to express my warm appreciation, and that of all members of the mission, for the excellent arrangements made for us by our own embassies in the capitals we visited. Their care and diligence on our behalf was indeed praiseworthy.

I now ask leave to table a set of papers which contains information about the composition of the mission, its itinerary and the main outlines of the program in each of the countries visited. There is also included a specimen of the statements made at the opening of the press conferences held by ministers.

[*Translation*]

Mr. Speaker: Has the minister leave to table those documents?

Some hon. Members: Agreed.

Mr. Speaker: Agreed.

[*English*]

Mr. Sharp: In conclusion, Mr. Speaker, I wish to say that a preliminary report on the work of the mission is being prepared, and I will table it also as soon as it is available.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, we all welcome the Secretary of State for External Affairs, the various ministers who accompanied him and their officials back to Canada from what was obviously a most arduous trip. I hope the ministers had a chance to look behind the glamour and glitter of some of the countries they visited and see some of the serious problems resulting from the population explosion and severe poverty. We shall be interested in studying the implications of the visit in the fields of expanded trade and commerce, energy, cultural exchanges, external affairs, and so on. We also hope the details of the real effects of the mission will soon be made public in an ongoing policy review.

We should be interested to know whether increases in trade can be expected, what problems would accompany or impede such increase, and whether Canada ought to set up permanent structures in those countries in Latin America to facilitate trade. We share the government's views about the usefulness of an expansion of cultural relations, and here again we must wait and see what are the implications of this exchange.

In the fields of external relations and aid to South America the questions that come to mind are these. What role can our country best play; what role will we play vis-à-vis the United States in South America; and has Canada selected certain South American

countries upon which to concentrate aid? Another question is, how is aid to South America to be integrated with Canada's overall aid policy? We were interested to hear that following a proposal of the government led by my right hon. friend from Prince Albert an agreement has been signed between Canada and Mexico. We shall be interested in the membership of this new committee.

• (11:20 a.m.)

The minister did not specifically mention the Organization of American States, but obviously during any visit by Canadians to South America this must have been very much in mind. Here may I enter a caveat. I hope the Canadian government will continue to be sceptical about accepting the full implications of membership in this organization. As I see them these implications are in the category of defence, and they have political overtones as well. If we join the O.A.S. we shall become part of a hemispheric defence system with all this would involve for Canada. We should therefore need to know, as the review progresses, of the political conditions Canada would accept for membership in the organization. Would we be prepared, as Mexico has been on certain occasions, to pursue a course independent of the O.A.S. and suffer the economic consequences of such independence?

I hope there will be wide public discussion of these issues; that platitudes about dialogue, studies in depth and so on will be ended, and that the people will be told exactly what are the implications of any move to join what now appears to some of us to be a rather reactionary organization.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, like the hon. member for Fundy-Royal I think there is much more that the Secretary of State for External Affairs could have told us. But I suppose we shall have to settle for two promises; one, that there will be a further report on this mission; and two, that at some point the whole subject of our relations with Latin America will be referred to parliament or to a committee of this house.

Frankly, what we have been given this morning, while very interesting, was little more than a travelogue. This certainly applies to the statement the minister made while he was on his feet. As for the document he asked leave to table, copies of which have been made available to some of us, I find it includes a long list of all the lunches and

receptions which the ministers attended, and really it contains no more than the minister told us.

However, there has been a promise of a further report. I hope there will be more substance in it, and I hope, too, that this question of our relations with the countries of the western hemisphere will be referred to parliament, referred to a committee, and adequately discussed before any final decisions are taken. I need not take the time of the house to suggest what the solutions to these problems are; because, as the hon. member for Fundy-Royal has been saying, the whole question of our trading relationship with the countries of the western hemisphere is highly important to us and we feel that in the world today with its problems of over-population, its economic problems, its socio-economic problems, not forgetting the need for aid all over the world, there is a special role which Canada can play by way of aid to certain sections of the western hemisphere.

I think this should be brought out of the sphere of things that are awfully vague. It should be pinned down. We should know what we are doing.

I also want to say we are aware of the fact that lurking behind all this talk, all this travelogue, is the question of the Organization of American States to which the Secretary of State for External Affairs made no reference whatever. There is no reference in the formal statement, or that I can find in the multi-page document that has been tabled. This too is something we feel parliament should have an opportunity to discuss before we have been taken down the path to a situation that might involve us in defence, monetary and trading relations that would make us more a satellite than we are now of the main power in the Organization of American States.

As I say, Mr. Speaker, the minister has taken time on motions to give us an interesting travelogue. We have enjoyed it, but the fact is that there are matters of substance to which this parliament must give its attention.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, the Secretary of State for External Affairs (Mr. Sharp) gave us this morning a most interesting report on what seems to have been a wonderful jaunt to Latin America for him and his colleagues, and very little to show for it.

The newspapers tell us that the Minister of Industry, Trade and Commerce (Mr. Pepin), who also made the trip to Latin America, allegedly stated that it was an "exploratory trip" and it was not undertaken in order to sign trade agreements, or even cultural agreements.

Listening to the Secretary of State for External Affairs a while ago, I noted that the ministerial mission had taken a great interest in the development of the film industry and related activities in Latin America. I do not know if the film industry is as well organized in Latin America as in Hollywood, for instance, but in any case, it seems to me that a month of talks, visits, cocktails and banquets should allow us to hope that Canada, through the agreements that will be reached as a result, will try to meet the repeated requests made by representatives of Latin America to some countries other than the United States, because a study of history shows that instead of encouraging the development of Latin America, the United States has enslaved those countries.

Appeals were made at the 56th conference of the Interparliamentary Union held in Lima and recently at a symposium held at Laval University in Quebec, where President Luis Alberto Sanchez stated that integration must be the aim of Latin America. He recalled that, for years, countries had sought the disunion of Latin American states and having defeated them, not only from the outside but from the inside, they managed to enslave and exploit them. In one of his speeches, President Sanchez stated:

> Because of the poverty, aggravated by a lack of a proportionate quantity of consumer goods, by their high cost in relation with the low salaries, by the excessive growth of the population—

Which is said to be 3 per cent in Latin America.

> —the excessive concentration of capital in the hands of a few people and in capitalistic areas, the pressure exerted by the exasperated and the desperate increases, and they fall prey easily to national and foreign propaganda in favour of communism and fascism, both of which are international anti-American doctrines.

Mr. Speaker, in the light of a statement like that one from a representative of one of the Latin American states, I feel that the trade relations which Canada wishes or intends to establish with those Latin American countries should encourage their development.

We are giving considerable help to the underdeveloped countries and Latin America is an underdeveloped continent. I feel that our help should not be restricted merely to technical help, but that it should encourage and facilitate commercial exchanges in the hope of fostering the industrial development of those countries and improving the lot of their labouring classes.

Mr. Speaker, I feel that the one month trip of our ministers and their associates will prove to be more than an exploratory trip, and that it will give satisfactory results for the countries visited as well as for Canada itself.

• (11:30 a.m.)

[*English*]

PRIVILEGE

MR. BALDWIN—STATEMENT BY POSTMASTER GENERAL IN TELEVISION INTERVIEW

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I rise on a question of privilege which relates to a question I asked the Prime Minister on Wednesday, the last sitting day, in connection with a television appearance of the Postmaster General, in respect of which the Postmaster General intervened to impute the accuracy of the comments I made, and my subsequent examination yesterday of the transcript of the television interview in question.

Chronologically, the situation is as follows. On Tuesday I asked the Prime Minister a question about government policy with regard to the authorization of ministers of the crown to express their personal opinions concerning policies being formulated. The right hon. gentleman said in part in his answer, which appears at page 3188 of *Hansard*, that a minister in answering must make sure he does not place himself in an irrevocable position which might be contrary to that which the government might eventually take.

That night I had the pleasure of observing the Postmaster General on a national television interview. I took note of what he said. On the last sitting day, Wednesday, I then asked the Prime Minister the following question which appears at page 3275 of *Hansard:*

> Would the right hon. gentleman say whether the statements made by the Postmaster General on national television last night, that Canada should get out of NATO as well as NORAD since we have no contribution to make in that field, meets with the earlier guide line the Prime Minister laid down—

The Postmaster General, to whom I gave notice that I intended to rise on this question

of privilege, as quoted at pages 3275 and 3276 of *Hansard*, said:

> On a question of privilege, Mr. Speaker, I did not say that.

The fact is, as confirmed by what is purported to be an official transcript of the proceedings, that the Postmaster General in this interview was asked the following questions and made the following replies:

> Pape: You made statements in the past that you felt that we should get out of NORAD as well as NATO and I'd like to ask you about that.
>
> Kierans: This hasn't come up in cabinet, thank the Lord . . . (laughs)—
>
> Pape: Well, let me ask you about it. Do you still feel that way?
>
> Kierans: I still feel the same way. I don't think that we have any contribution to make in this field.

Now, Mr. Speaker, I felt compelled in my position to rise on this issue today because this has been an unfortunate practice. Not only on this issue but all too often we have seen the practice of statements having been made outside the house and then what appear to be equivocation and contradiction in the house. The members of this government from the Prime Minister down seem to have set out deliberately to do this, and the ultimate and inevitable result is and must be to debase the currency and deteriorate the quality of this house until its survival as a useful arm of democracy is seriously threatened.

Naturally, if the Postmaster General says he did not say what the transcript says he did say I will accept that and only add that this is simply another sorry chapter in the chronicle of confusion which surrounds the question of NATO and NORAD and our position in collective security.

Hon. Eric W. Kierans (Postmaster General): Mr. Speaker, if I may speak to the question of privilege, I should like to refer to other parts of the interview. You might wish also that I table the entire proceedings, and if so requested I should be glad to do so. Mr. Pape asked me an earlier question:

> Let me switch you to another area. You've been gaining a lot of publicity in the past couple of days with your comments on NATO and defence spending and all the rest of it. Just how deeply are you committed to these views? Are you in effect kite-flying?

My answer was:

> No. You have my book here; you have all kinds of things I said in the leadership speech and so on and you know what my personal beliefs are. Well, when you enter a cabinet you set those aside, because you accept as your own cabinet policy, which I do. So let me say, to go to the conclusion of this, if X months from now, in April or May, cabinet should decide that our present policy is the best alternative; in other words, you don't veer either to the left or to the right of that policy, I'm not going to resign.

I know this disappoints the opposition.

Some hon. Members: Oh, oh.

Mr. Kierans: May I continue. I listened to the hon. gentleman who raised the question of privilege.

> I mean there are lots of things I can do working for the government of Canada. But that isn't the point. The point at the present moment is that the Prime Minister has said we are considering changes. Well who's going to consider the changes? Only the 26 or 29 cabinet ministers?

An hon. Member: Hear, hear.

Some hon. Members: Oh, oh.

Mr. Bell: The hon. member from Hamilton.

Mr. Kierans:—

> Or should other people, you know, make suggestions? Or should we get the pulse of the people of Canada? And how can you get the pulse of the people of Canada?

Mr. Speaker: Order, please.

Mr. Kierans: How can you get the pulse of the opposition as well?

Mr. Speaker: I trust the minister does not propose to read the whole interview. This is the impression I have gained. Perhaps he should limit his intervention to the point raised by the hon. member.

Mr. Kierans: May I continue with another statement from this; it is not a long one:

> I said when you want to change defence policy or when you forecast a review of a defence policy, what are some of the alternatives? You know, making NATO stronger is one alternative. Staying right where we are is an alternative, making it a bit shinier, increasing defence expenditures; on the other hand reducing expenditures, defence expenditures—

—is another alternative. This was the whole nature of the discussion. Later on Mr. Pape returned to the subject and said he was not quite satisfied with all this, and I said "I still feel the same way." I have my own personal beliefs. I may have certain views about the infallibility of the Pope, but I will not confine myself to entering a cabinet of those who only believe in the infallibility of the Pope.

An hon. Member: Don't disgrace the Pope, whatever you do.

Mr. Kierans: I feel—

Mr. Speaker: Order, please. I must ask the minister for his co-operation in coming to the point.

Mr. Kierans: All I wish to say is I should like to see a debate arise in cabinet. I should like some day even to know the views of the opposition on these questions, and it is a problem to find them—I meant "of the country". If a debate does not rise on this in the country then I suppose we turn to something else.

Mr. Speaker: Order, please. Fortunately, in view of the fact that no motion was made following the hon. member's question of privilege, I do not have to rule on the situation. I think I will have to let the matter rest where it rests at the moment.

• (11:40 a.m.)

LIBRARY OF PARLIAMENT

CONCURRENCE IN REPORT CONCERNING SALARY REVISIONS

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, perhaps in a less contentious vein I should like to move:

That the report of the joint commitee on the library of parliament presented to the house on Monday, November 25, be now concurred in.

Motion agreed to.

CRIMINAL CODE

AMENDMENT RESPECTING POLLUTION OF STREAMS AND COASTAL WATERS

Mr. David Anderson (Esquimalt-Saanich) moved for leave to introduce Bill No. C-135, to amend the Criminal Code (pollution).

Some hon. Members: Explain.

Mr. Anderson: Mr. Speaker, in spite of the great amount of legislation on our statute books there is very little concerning pollution. It is for this reason I am introducing this bill which would make it an offence to pollute interprovincial streams or the seas surrounding Canada. For this reason I hope this bill will receive assent.

Motion agreed to and bill read the first time.

[*Translation*]

PUBLIC PRINTING AND STATIONERY ACT

AMENDMENT TO CHANGE TITLE OF QUEEN'S PRINTER

Mr. Gérald Laniel (Beauharnois) moves for leave to introduce Bill No. C-136 entitled "An act to amend the Public Printing and Stationery Act".

Some hon. Members: Explain.

Mr. Laniel: Mr. Speaker, the purpose of this bill is simply to substitute the title of "national printer of Canada" to that of "Queen's printer", a designation which, in my opinion, is archaic and out-of-date.

I make this proposal without any secret motive and with due respect for Her Majesty and what she means to our Canadian political system. This change would not be so necessary if the Queen's printer were limited to publishing official proclamations and documents for the government, the House of Commons and the Senate, but when we consider the wide range of publications printed and distributed by the Queen's printer, it is time, in my opinion, to make this change.

Motion agreed to and bill read the first time.

[*English*]

BROADCASTING ACT

AMENDMENT TO PROHIBIT ADVERTISING OF CIGARETTES

Mr. Antonio Yanakis (Berthier) moved for leave to introduce Bill No. C-137, to amend the Broadcasting Act (Prohibition of cigarette advertising).

Some hon. Members: Explain.

Mr. Yanakis: Mr. Speaker, lung cancer is now epidemic in Canada. It is killing more men daily than street accidents or any other disease. Therefore we should take a firm and courageous stand and ban all cigarette commercials from television and radio entirely, the same as in Britain, in order to protect public health.

Motion agreed to and bill read the first time.

GRAIN

PROVISION OF DRYING FACILITIES ON FARMS

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Industry, Trade and Commerce, but first I should like to say how pleased I am to see him in apparent good health. My question arises from a series of questions asked on Wednesday which were not answered. Will the minister advise the house what efforts are being made

by the Canadian Wheat Board, the government or any government department to ensure that there are adequate facilities on farms to handle the more than 200 million bushels of tough and damp grain that cannot be conditioned at the terminal facilities?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I wonder whether the condition of my health is so good, but I will try to answer just the same. The situation which now exists is one which has been described as very serious. There has been damp wheat in the past. In 1927 we had 180 million bushels of damp grain and in 1951 we had 200 million bushels. This year we have 350 million bushels. When this situation was realized, the proper authorities, the grain transportation commission, held a meeting in Winnipeg on the 26th. I have read, as I am sure everyone has, the press release issued at that time. The situation was fully described then by Mr. MacNamara, the chief commissioner of the wheat board because he and the transportation committee thought the farmers were not using all available facilities to dry their own grain; in other words they were relying too much—as is quite natural and nobody blames them for it—on the facilities that existed, and they issued a warning.

Mr. Woolliams: Answer the question.

Mr. Pepin: The question is a specific one. Yesterday for my own part I had the situation investigated with respect to tariffs on grain dryers. I found that any grain dryer for use on the farms may be imported free under tariff order 40924-1, regardless of ownership. I found also that grain dryers of a stationary type used adjacent to storage sites off the farm are generally classified for tariff purposes as machines under the machinery program, tariff item 42700-1, which permits remission of the 15 per cent duty on the recommendation of the Minister of Industry, Trade and Commerce when he considers them not available from domestic production. So if these dryers are not available from domestic production, I hereby announce to the house that I will remit the tariff on such items.

The Minister of Finance has been questioned on this matter too, and this morning I have received telegrams, some of them asking for accelerated depreciation on dryer equipment. I understand the Minister of Finance is looking into this, and I also understand that he has already intimated to the house that he would give accelerated depreciation on such items.

Some hon. Members: Hear, hear.

Mr. Stanfield: Mr. Speaker, I should like to ask the minister whether he is conducting surveys to determine the adequacy of the existing equipment and the location of existing farm dryers to ascertain whether those facilities are in a position to be of maximum use in grain drying. Second, has the government or the wheat board given any consideration to determining, as a result of such surveys, whether the tariff items referred to should be removed?

Mr. Pepin: The very able Minister without Portfolio assigned to matters having to do with industry, trade and commerce will give an answer to the question.

Hon. Otto E. Lang (Minister without Portfolio): Mr. Speaker, the provincial ministers of agriculture have been assessing the situation with regard to farm drying equipment, and the Minister of Agriculture has been in constant contact with them. He had a meeting with them within the last week and expects to have further meetings with people in the prairie provinces as soon as he returns from Paris to further pursue these matters so that, in co-operation with the provincial ministers, the maximum amount of information will be obtained and maximum use will be made of the equipment on farms.

Mr. Stanfield: Mr. Speaker, I should like to ask either minister whether there is any prospect of the terminals operating their facilities around the clock, 24 hours a day and seven days a week.

Mr. Pepin: I have a very long report on that but I will not read it because I am sure you would cut me off, Mr. Speaker.

Mr. Speaker: Order, please. The house may want to give leave to the minister to read the report.

Some hon. Members: Agreed.

Mr. Pepin: I will read the conclusion of this report. It states that terminal drying can only start once damp grain starts arriving in volume. I have in hand a week by week analysis on such arrivals. It reads further that, as the statistics which I have not given show, it has only been in the last two or three weeks that damp grain has been delivered in volume to country elevators. It is then a matter of two or three weeks from the time grain

is delivered to country elevators until it gets to terminal position. Therefore it has been in the last two or three days only that terminals have had, unloaded and in their bins, sufficient quantities of damp grain to keep dryers going on a 24-hour day basis.

At the meeting of the grain transportation committee held in Winnipeg the owners of terminal facilities assured those present that the terminal drying facilities in some cases were already being utilized to full capacity—

Mr. Korchinski: But not at the lakehead.

Mr. Pepin: —and in cases where they were not, would be during the course of the next few days as stocks of damp grain accumulate at the terminal positions. Labour union leaders attending the meeting at Winnipeg gave an assurance of their fullest co-operation in meeting this emergency.

Mr. Stanley Knowles (Winnipeg North Centre): I have a supplementary question, Mr. Speaker, which relates to this damp grain situation, but I would like to direct it to the government house leader. In view of the seriousness of the situation will the government house leader, before he decides on next week's business, discuss with his opposite numbers the possibility of bringing back the estimates of the Department of Agriculture or some other reasonable vehicle to allow us to have a day's discussion on this whole problem on Monday or at least early next week?

Hon. Donald S. Macdonald (President of the Privy Council): Of course we would be glad to bring the estimates back to the house, notwithstanding the previous request by opposition members. I do not know if it might be appropriate at this point to make my weekly announcement with respect to the business of the house, and perhaps we might then have further discussions among the house leaders as to the appropriate occasion for discussion of this matter.

Mr. Knowles (Winnipeg North Centre): Before the minister does that, I wonder if I may ask him a supplementary question. Is it not a fact that some of the estimates of the Department of Agriculture have been passed so that at least the first one could be brought back for the purposes of this discussion if, as I am sure is the case, there is general agreement that we should have such a day without delay?

Mr. Macdonald (Rosedale): In any event if there were a disposition on the part of the opposition to have those estimates brought back in the house, I would be glad to make a motion to bring them back. I suggest this might be a fruitful subject for discussion among the house leaders.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to direct a supplementary question to the Minister of Industry, Trade and Commerce and ask him what emergency action the government has in mind to meet the situation; for at the present rate it will take 20 months to dry all the damp wheat and by that time much of it will be decayed. What emergency action has the government in mind to meet the situation, and has any consideration been given to providing acreage payments for the farmers on the prairies who find themselves in a serious financial situation?

Mr. Pepin: Mr. Speaker, most of us do not have the capacity to anticipate events which the right hon. member has.

Mr. Diefenbaker: I am just referring to the rate.

Mr. Pepin: Consequently we cope with problems as they emerge. A few weeks ago the problem appeared to be the need to provide payment for grain still on the land. Now the situation is quite different. Farmers have decided to harvest the grain even though it is damp, so that now we have to cope with the situation of harvested damp grain. I have indicated what we are doing at the present time—exemption of tariff and accelerated depreciation. I have said I am willing to remit the tariffs on imports if Canadian drying facilities are not available. The wheat board is looking into the possibility of using grain drying facilities in the United States. We are doing everything that I think can be done at the moment to cope with this very difficult problem, but we can only cope with problems as they arise because we do not have the right hon. member's ability to predict history.

Mr. Diefenbaker: I have a further supplementary question. I wish to ask the minister, in view of the very small amount of damp wheat that has arrived at the head of the lakes and which according to his statement has only been arriving in the last two weeks, whether one of the reasons is the shortage of freight cars. If that is so—as it apparently is because farmers cannot market their wheat—what consideration is being given to bringing back Canadian box cars from the United

States? I asked that question the other day but the Minister without Portfolio did not have any information on the matter.

Mr. Horner: And did not understand the problem.

Mr. Pepin: Notwithstanding the respect I have for the right hon. member, I must say that that information is absolutely wrong. The chief commissioner of the wheat board said in his press conference "box car supply is not a limiting factor".

Mr. Diefenbaker: What is? Why cannot farmers move their wheat?

Mr. Pepin: Perhaps the right hon. member knows more about these things than the chief commissioner of the Canadian Wheat Board.

Mr. Horner: A lot more than you do.

Mr. Pepin: The problem is that the movement of damp grain to the terminals must be geared to the optimum capacity of the drying facilities. The railways have been asked to regulate the flow of box cars to conform to the drying ability of the terminals. Every effort is being made now to avoid an oversupply of loaded cars of high moisture grain to the terminals since such grain would freeze. This is something to be taken into consideration, is it not?

Mr. Horner: At Vancouver it is going to freeze?

Mr. Pepin: My hon. friend should at least give me credit for knowing the distinction between the weather at Vancouver and at the lakehead. As I said, since such grain would freeze it would make unloading at the lakehead difficult, whereas the box cars could be heated at the west coast. This is what the transportation committee are trying to do; they are trying to regulate the use of box cars. The opinion expressed by the hon. member is consequently wrong. There is no problem connected with the availability of box cars in the opinion of people who should know. If they do not know, that is not my fault.

Mr. Korchinski: Mr. Speaker—

Mr. Speaker: Order, please. Will the hon. member resume his seat? I want to bring to the attention of hon. members the fact that there are quite a few members who want to ask questions on this important matter. Perhaps we should try to give an opportunity to as many members as possible to question the minister.

Mr. Diefenbaker: To hear the government's alibis for inaction.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a supplementary question for the Minister of Industry, Trade and Commerce. Is it not a fact that the terminal elevators at the lakehead are still not drying on a 24-hour, seven day a week basis, and that the situation is the same at Vancouver? Second, could he indicate whether consideration has been given to using commercial dryers at the country elevators where the annexes are empty but the elevators themselves are filled? In this way, grain could be dried and put in the annexes in order to relieve some of the congestion.

Mr. Pepin: I think anyone who reads *Hansard* will realize I have already answered those two questions. With regard to the use of commercial drying facilities, I have said we would make it possible for grain companies to purchase this equipment without tariff, if that could be done, and would grant accelerated depreciation. There will then be an incentive for them to buy such equipment. I know though that drying equipment would be used only once every 20 years or so, so one can understand the reluctance of a company to purchase this equipment which would likely be allowed to rust more often than be used to dry. We are trying to make it attractive to groups of people to buy this equipment and use it on a commercial basis.

Mr. Korchinski: Would the department or the wheat board consent to having commercial dryers come to the elevators and, without the companies purchasing them, dry the grain that has been already purchased? Then this grain could be transferred from the elevators to the annexes where it could be stored in a dry condition. Would this be permitted?

Mr. Pepin: If the wheat board, as is the case, is willing to consider drying in the United States, I think they would be willing to consider drying under those conditions. I will make sure of that.

Mr. Eldon M. Woolliams (Calgary North): I have a supplementary question, Mr. Speaker.

On Wednesday I gave the Minister of Transport notice that I would ask this question:

Would the minister please take the house into his confidence and tell us what has been the result of those discussions with the Canadian railways?

The reference was to the shortage of box cars. The minister replied that he would do so at an early date. He assured me that he would make a report on the box car situation. What have the railways told the minister and would he inform the house in this regard?

Hon. Paul Hellyer (Minister of Transport): Exactly the same as has been reported by my colleague, the Minister of Industry, Trade and Commerce, Mr. Speaker, that the shortage of box cars is not the limiting factor. The limiting factor is the ability to dry grain. The board has given the railways a schedule that it would like in respect of deliveries and the railways have advised it will be possible for them to meet this schedule. To the best of my knowledge, this is generally true, but if my hon. friend has any specific example to the contrary I would be pleased to hear it. However, I have been given the assurance that my colleague just gave to the house, namely, that transportation facilities are available to meet the demand and the limiting factor now is the ability to dry wheat.

Mr. Woolliams: A supplementary question. I wonder whether the minister has checked on this situation, because he can get information from points all across the land that this is the problem. Will he discuss it with the president of the wheat pool and the president of the line elevator companies in order to determine whether those companies which handle the farmers' grain are getting the necessary box cars? Will he go that far? I think the minister wants to answer, Mr. Speaker.

Mr. Hellyer: I believe our negotiations have to be with the wheat board, Mr. Speaker, which really has the over-all responsibility in respect of this matter. If there is any means that comes to their attention through which we can be of greater assistance, we would be more than happy to help.

Mr. Les Benjamin (Regina-Lake Centre): On October 20, Mr. Speaker, I asked the Minister of Agriculture to ask the Minister of Industry, Trade and Commerce to make a full statement to the house on this whole matter of box cars. May I ask this question of the Minister of Industry, Trade and Commerce. Is there any department or agency of government which has the sole responsibility for negotiating with the railways every year the allocation of available box cars to the various distributing points and branch lines?

Mr. Pepin: My understanding is that this is done at the level of the transportation committee. This committee, as the hon. member knows, includes members of the grain commission, members of the wheat board, representatives of the railways and the grain companies. So far as I know, on previous occasions recommendations made by this committee have been implemented by the railways.

Mr. Benjamin: In spite of this, Mr. Speaker, the fact is that some shipping points have had more than their fair share of cars while other shipping points have had no cars for three or four weeks. Would the minister give consideration to appointing a transport controller with complete authority to require the railways to allocate box cars according to the needs of each individual shipping point?

Mr. Pepin: This has been done in the past. I remember one case in particular where it was done, and I will look into it to see if it is needed in the present circumstances.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I should like to direct a supplementary question to the Minister of Industry, Trade and Commerce. Is he or his department considering the placing of grain drying equipment at the inland terminals, which would greatly facilitate the drying of grain this year?

Mr. Pepin: That would mean added facilities because there are some facilities there now.

Mr. Horner: Yes, adding to the facilities of inland terminals for drying grain. These facilities are not being used to the full extent, and in this way they could be.

Mr. Pepin: As I said before, we are now doing everything we can, but I will certainly take this idea into consideration.

Mr. Horner: Take another look at the problem.

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a supplementary question for the minister dealing with two aspects of this situation which I do not believe have been considered. The first point concerns the availability of drying equipment from the United States; it is not available at

all in Canada. Since the farmers have no money with which to buy these pieces of equipment which run as high as $10,000 or $12,000 for equipment with a 2,000 bushel per day capacity, would the government consider doing something about that?

Mr. Pepin: I could not speak about the availability of the equipment. I am aware, however, that these are expensive gadgets and that is why we are trying to make the purchase of them more attractive by eliminating the tariff of 15 per cent and by giving accelerated depreciation.

Mr. Southam: A further supplementary question, Mr. Speaker. The volume of damp grain amounts to about 300 million bushels and it will rot in the bins unless it can be saved. We must take action to produce this equipment in Canada because it is not available anywhere else. This is the emergency.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I should like to ask the Minister of Finance whether he would explore all possible avenues from the financial point of view so that these dryers may be put in the hands of users? Accelerated depreciation and tariff removal are not enough.

[*Translation*]

Mr. Speaker: Does the hon. member for Compton wish to ask a supplementary question?

Mr. Henri Latulippe (Compton): No, Mr. Speaker.

[*English*]

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I will direct my question to the Minister without Portfolio from Saskatoon-Humboldt, since he stated that certain plans are under way in the matter of co-ordination. In view of the fact that the Minister of Agriculture is out of the country at the moment, would the government bend all its efforts toward co-ordinating over-all policy to deal with the present crisis?

Mr. Lang (Saskatoon-Humboldt): Mr. Speaker, this is exactly what the government is intending to do. Previous consultations with the provincial ministers of agriculture have revealed the extent of the farm drying equipment that is available on farms. In fact, as Mr. MacNamara said in Winnipeg on Tuesday, if this equipment is used to the full it might go a long way toward handling the situation. Obviously one problem is seeing that this equipment is fully available and is in the right place at the right time during the course of the winter. Certainly we will be interested in seeing that this is done.

Mr. Gleave: A supplementary question. What concrete action has the government taken up to now to achieve the objective of seeing that it is in the right place at the right time?

Mr. Lang (Saskatoon-Humboldt): Mr. Speaker, we have considered it important to gather together the information first before taking specific action to deal with the problem, because we must know what the problem is.

Mr. Cliff Downey (Battle River): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. The minister has indicated that he will encourage the purchase of farm dryers through the elimination of tariffs. In view of the fact that the cheapest and smallest continuous flow dryer, which really is the only practical type, costs $8,000 or more, and in view of the fact that a farmer who farms 1,000 acres can expect to sell only about 6,000 bushels of wheat a year—and I might add that damp, tough wheat sells for—

Mr. Speaker: Order. Would the hon. member ask his question.

Mr. Downey: How does the minister expect a farmer to purchase such a dryer? Is the government considering making acreage payments to farmers at this time?

Mr. Pepin: Mr. Speaker, I have dealt at least in part with this question.

Mr. Speaker: Order, please. As far as the second part of the question is concerned, it has already been asked.

Mr. Diefenbaker: But not answered.

Mr. Speaker: I understand the hon. member for Selkirk wishes to ask a supplementary question.

Mr. Ed Schreyer (Selkirk): Mr. Speaker, I should like to direct my question to the Minister of Industry, Trade and Commerce. Because of the extreme difficulty of securing grain drying equipment, has the government in mind a policy whereby it will assist the grain industry to secure supplies of grain drying equipment?

Mr. Pepin: Mr. Speaker, if it is found that our present best is not good enough, then we will certainly consider this.

INQUIRIES OF THE MINISTRY

On the orders of the day:

Mr. Stan Schumacher (Palliser): Mr. Speaker, my question is for the Minister of National Health and Welfare but in his absence and in view of the emergency perhaps his parliamentary secretary will take notice of the question. Will the department use its good offices and facilities with respect to the urgent health problem facing the Calgary Stampeders football team?

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Speaker, I should like to put it to the Secretary of State, but in his absence I will direct it to his parliamentary secretary.

Since the C.B.C. recently contributed to make us meet some nice boys who are waiting for the advantages of the omnibus bill, is the crown corporation considering the possibility of presenting other such programs in order to give an opportunity to the unemployed heads of families to state their views on their financial problems?

TELEVISION

REQUEST FOR POLICY STATEMENT ON EDUCATIONAL BROADCASTING

On the orders of the day:

Mr. Henri Latulippe (Compton): Mr. Speaker, I should like to put a question to the right hon. Prime Minister.

Could he tell the house whether the government intends to amend the constitution so as to allow the provinces to operate their own television network for educational broadcasting during the next federal-provincial conference?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, the division of powers, including those concerning broadcasting, is on the agenda of the next federal-provincial conference. We will then see what the provinces have to say on the subject.

[*English*]

HARBOURS

INQUIRY AS TO COMPLETION OF DECENTRALIZATION STUDY

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I have a question for the Minister of Transport. Is the minister now in a position to advise the house of the outcome of the study concerning port administration which has occupied his time for the past two week ends?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I think that this would be a good subject for study by the committee; it might divert their attention from some other matters. However, my difficulty so far as the order of precedence is concerned is whether or not the committee should visit the Atlantic provinces before commencing its study of this report or whether the report should be considered first. Any advice that my hon. friend wishes to give me in this regard will be most welcome.

Mr. Bell: A supplementary question, Mr. Speaker. May I ask the minister point blank whether he has finished reading the report and what he thinks of it? He made a big play of the fact that this study had been brought back early and I think we are entitled to know.

Mr. Speaker: Order, please.

BUSINESS OF THE HOUSE

REQUEST FOR ANNOUNCEMENT OF CHRISTMAS ADJOURNMENT

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I almost hesitate to rise in view of the significance of the questions asked up to now in regard to a matter affecting many members of the house. I should like to direct my question to the government house leader. In view of the fact that the homes and constituencies of some members are over 3,000 miles away and in view of the fact that there will be transportation problems over the holiday season, could the minister give us an indication when it is contemplated that the house will rise for the Christmas recess and reassemble in January? This information, sir, will be of great assistance to many hon. members.

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I do appreciate the problem here. The hope would be that if the items of business which remain to be dealt with in this part of the session can be disposed of by December 20, then we might rise at the end of that day. This will depend, of course, on the progress made in the house and perhaps the hon. member can have some influence in that matter.

Mr. Winch: And reconvening when?

Inquiries of the Ministry

Mr. Macdonald (Rosedale): Mr. Speaker, I shall have to make a further announcement about that.

Mr. Winch: Mr. Speaker, may I pose a supplementary question, because I think this matter is important. Did I understand the answer to be that if satisfactory progress, in the opinion of the government, is made the house will adjourn on the 20th but if not we will be sitting here on the Monday and Tuesday before Christmas day, which is Wednesday?

OLD AGE SECURITY

REQUEST FOR ISSUANCE OF CHEQUES BEFORE CHRISTMAS

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to direct a question to the Prime Minister. Would the Prime Minister consult his colleague the Minister of National Health and Welfare with a view to having old age security cheques for the month of December sent out before Christmas rather than after? Otherwise a great many old people will be having a pretty bleak Christmas. Mr. Speaker, I believe the Prime Minister was intending to reply to my question.

Right Hon. P.-E. Trudeau (Prime Minister): I was not really intending to reply, Mr. Speaker. The minister himself will be here on Monday, Tuesday and Wednesday, so perhaps the hon. member would ask his question on one of those days.

EXTERNAL AFFAIRS

NIGERIA—PROPOSED REFERENDUM ON STATUS OF EASTERN SECTION

On the orders of the day:

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Will Canada join other commonwealth countries which have urged Nigeria to accept a referendum supervised by the United Nations or the Organization of African Unity to decide the future status of former eastern Nigeria?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I am unaware of this appeal of the commonwealth countries. I doubt that it is shared by many.

[Mr. Winch.]

COMMUNICATIONS

REPORTS ON SATELLITE DESIGN STUDIES

On the orders of the day:

Mr. A. D. Hales (Wellington): Mr. Speaker, I wish to direct a question to the Minister of Industry, Trade and Commerce supplementary to the question I asked the Postmaster General on Wednesday last. Did any official of the Department of Industry or the Department of Trade and Commerce give permission to the R.C.A. Victor Company or the Northern Electric Company to make a report, following the surveys they made, on Canada's satellite?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, the government was approached with a proposal by Northern Electric to make a number of press releases. This was fully discussed by responsible officials in the Department of Industry and by the task force which reports to the Postmaster General. Both firms, however, were given instructions to follow regarding price, details of specifications, etc. I have not had time to go into the matter in the last few days but as far as I have been able to check both companies have respected the government's instruction regarding the release of confidential information. It does not appear that there has been any breach of confidence. I should also add that these reports were in the hands of the government before the press conference was held, though it might have been wiser—

Mr. Fairweather: Oh, oh.

Mr. Pepin: —to keep in mind that ministers are not always available at a second's notice. It might have been wiser and gentler for the companies to allow a bit of time between the sending of the report to the government and the minister, and the press conference.

Mr. Hales: I rise on a question of privilege. It is that the Postmaster General did not give this house the proper information on Wednesday last. He misled the house in an answer he gave me on Wednesday, November 27, when he said in answering a question similar to the one that has now been asked:

> No member of the office of the Minister of Industry, Trade and Commerce or in the office of the President of the Treasury Board or in the office of the Postmaster General gave any such authority.

Mr. Kierans: On the question of privilege, Mr. Speaker, I drew the distinction on Wednesday that no member in the office of my colleague, the Minister of Industry, Trade and Commerce, gave such authority. The hon. member referred to a government official. No member of the minister's office or of my personal office was aware of this.

Mr. Pepin: It had been received by officials in our department but I do not think the Postmaster General or I were aware of it—I for obvious reasons because I was absent from Ottawa—or had seen these documents.

Mr. Hales: Mr. Speaker, further to the point of privilege, it appears that a very thin line is being drawn between the words "in the minister's office" and "any officer or official". I accept the explanation on that basis.

Mr. Kierans: On the question of privilege, Mr. Speaker, I wish to say to the hon. member that my answer to him was also:

No, they may have been in contact with some officials; that is the distinction I am making.

Mr. Robert Simpson (Churchill): A supplementary question to the Postmaster General, Mr. Speaker. In view of reports that the rocket launching site at Churchill, Manitoba, is capable of launching a communications satellite, will the minister assure the house that every consideration will be given to launching Canada's first communication satellite from our native launching pad?

Mr. Speaker: Order, please. The hon. member is making a representation. If he is seeking information I think the question, although it is important, is not so urgent that it cannot be placed on the order paper.

HOUSING

OSHAWA—AVAILABILITY OF DEFENCE DEPARTMENT PROPERTY

On the orders of the day:

Mr. J. Edward Broadbent (Oshawa-Whitby): My question is for the Minister of Transport, Mr. Speaker. In view of the serious housing crisis in Canada, and in view of the recent announcement by the Department of National Defence that some 275 acres of land will be available early in the spring in the Oshawa area, is the minister giving consideration to making this land available for housing?

Mr. Speaker: I think that question ought to be placed on the order paper.

Mr. Broadbent: A supplementary question, Mr. Speaker.

Mr. Speaker: Order, please.

TORONTO—REQUEST FOR REPORT ON MALVERN PROJECT

On the orders of the day:

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the Minister of Transport who is in charge of housing. What progress, if any, has been made with regard to building homes at the Malvern project in order to ease the housing crisis in Toronto?

Mr. Speaker: I suggest that question might also be placed on the order paper or, if the hon. member wishes, it might be discussed at the time of adjournment.

Mr. Gilbert: A supplementary question, Mr. Speaker. Will the minister consider appointing the former mayor of Toronto, now the hon. member for York West (Mr. Givens), to be in charge of this project? Otherwise the housing policy may well be a charade.

BUSINESS OF THE HOUSE

On the orders of the day:

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I wonder whether the President of the Privy Council could indicate our business for next week.

Hon. Donald S. Macdonald (President of the Privy Council): Yes, Mr. Speaker. As a result of yesterday's consultations and without taking into account the questions this morning it has been proposed that we should go into committee of supply on Monday to take the estimates of the Department of Industry. That is the last of the departments that hon. members opposite have requested to be dealt with in the house. On Tuesday we propose to call second reading of the Customs Tariff bill, No. C-131, item No. 35 on the order paper, with the hope that we can make good progress so that on Wednesday we may call third reading of the bill and then deal with estimates. On Thursday we propose to deal with estimates again. On Friday, depending on the availability of the report of the committee, we hope to open debate on the report of the standing committee on procedure.

With regard to the question of estimates, I should be pleased to discuss with hon. gentlemen opposite the estimates to be dealt with. I understand that the standing committee on agriculture chose to retain the first item

under the agriculture estimate yesterday; it is still seized of that matter. I hesitate to withdraw that from the committee unless there is general consent. Subject to that, I should be glad to talk about the scheduling of estimates for the coming week.

Mr. Walter C. Carter (St. John's West): I wonder whether the minister could make arrangements to bring the appropriate part of the estimates of the Department of Transport back to the committee of supply so the house may debate the recommendation of the committee respecting the decision by the C.N.R. to abandon certain rail passenger services, and pass on that recommendation to Canadian National Railways?

Mr. Macdonald (Rosedale): I point out to the hon. member that the estimates of the Department of Transport have never been out of the committee of supply. At the choice of the opposition they were left in the house.

Mr. Baldwin: What was the committee dealing with, then, when it passed that resolution?

AIR CANADA

CONCILIATION BOARD REPORT ON DISPUTE WITH EMPLOYEES ASSOCIATION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of Labour. I realize he is not here, but if we had met yesterday he would have been here, and he will be here on Monday. If the answer is not available at once perhaps the question might be taken as notice. Has the government received the report of the conciliation board dealing with the disagreement between Air Canada and the air line employees association? Also may I ask if the board has resolved the differences between the parties?

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I note that the minister will be here on Monday. Perhaps he could deal with this then.

[*Translation*]

VOCATIONAL AND TECHNICAL TRAINING

REPORTED REGIONAL LIMITATION ON NUMBERS ACCEPTED

On the orders of the day:

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I wanted to direct my question to the hon. Minister of Manpower and Immigration but, since he is absent, his parliamentary secretary might give us an answer.

Is the number of persons entitled to take advantage of retraining courses limited in any way to a certain number in a given region, or must all those qualified be accepted?

Mr. Speaker: The question could easily be put on the order paper.

Mr. Lambert (Bellechasse): Mr. Speaker, a supplementary question.

Mr. Speaker: The supplementary question should also be put on the order paper.

[*English*]

POST OFFICE DEPARTMENT

PAYMENT OF RETROACTIVE PAY INCREASES BEFORE END OF YEAR

On the orders of the day:

Mr. J. H. Horner (Crowfoot): Mr. Speaker, my question is for the Postmaster General. In view of the recent pay increases for postmasters and their assistants, some raises being retroactive to October 1, 1966, will he make sure that the increases are available to the people concerned before the end of the year so that they will not be subject to the social development tax coming into force next year?

Hon. Eric W. Kierans (Postmaster General): To answer that question very quickly, Mr. Speaker, there are a number of employees, included among whom, for example, are rural contractors, whose cheques are still outstanding. We hope to have all this cleared up by December 15.

CANADA YEAR BOOK

REPORTED CHANGE IN SECTION ON DISSOLUTION OF PARLIAMENT

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, only a few moments ago I directed a question to the Minister of Industry, Trade and Commerce and I regret troubling him again so soon. But since he will not be here again until next Wednesday may I ask him whether he is aware that during his absence the section in the Canada Year Book on the dissolution of parliament was changed and, if so, why?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I try to check everything, Mr. Speaker, but that one escaped me.

Mr. Bell: May I ask the Prime Minister whether he or the staff of his office were aware of this change?

Mr. Speaker: Order. In view of the fact that the change referred to has already been made, perhaps the question should be placed on the order paper.

Mr. Bell: It is very serious.

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the house that a message has been received from the Senate informing this house that the Senate has passed the following bills:

Bill C-124, 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, 1968, to the 30th day of June, 1969, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and by Air Canada, without any amendment.

Bill C-103, an act respecting Atlantic Peat Moss Co. Ltd.—Mousse de Tourbe Atlantic Cie Ltee—without any amendment.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Ottawa, November 29, 1968

Sir:

I have the honour to inform you that the Right Honourable J. R. Cartwright, P.C., M.C., Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate Chamber today, the 29th November, at 12.45 p.m. for the purpose of giving royal assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
Louis-Frémont Trudeau
Brigadier General
Assistant Secretary to the Governor General.

SUPPLY

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

DEPARTMENT OF FINANCE

1. Departmental administration including administration of the guaranteed loans acts, the Inspector General of Banks office, and payments to provinces as detailed in the estimates, $3,970,500.

The Deputy Chairman: Vote No. 1 will be found on page 138 of the blue book. Details thereof are listed on page 142. Shall the item carry?

Mr. Stanfield: Mr. Chairman, there are so many aspects of the work of the minister and his department upon which I should like to comment that I will have to exercise a great deal of restraint in the choice of topics. It is not my wish to trespass for too long on the time of the committee but there are certain particular questions concerning the attitudes and the judgment of the minister which I feel it is necessary to raise. I hope the minister will excuse my being very blunt in some of my remarks, as I view with a good deal of concern some of the tendencies which are all too apparent.

I have already found occasion to comment as frankly as I can upon the credibility gap arising from the discrepancy in the assurance which the minister, in another capacity, gave this house and the country in connection with the expenditures of the current year. I have expressed my condemnation of the assurance given to bondholders through the securities and exchange commission of the United States. I described this behaviour as inexcusable and condemned it in the strongest possible terms on one occasion when the minister was not in the house—and he seemed to think I had taken advantage of his absence in doing so. I repeated this charge in the minister's presence. As far as I know he has never felt it necessary to give any explanation to the house or to a committee of the house as to the reasons for his behaviour or in justification of what transpired.

I say again that the minister and others responsible in the government misled the house. Maybe they feel that because they have a majority here they are not bound to give an answer, that there is no need for them to account to the house or to the Canadian people. I am not one who uses words like "arrogance" readily, but I think the minister owes this committee some explanation of the failure of the government to live up to its assurances, or of its action in misleading the House of Commons and the Canadian public, for it can only be described as that. The Canadian people did not give this government a majority in parliament in order to permit it to ignore charges or fail to account to the people for its behaviour. This is not good enough.

I want to talk for a while today about the budget resolutions but not for the purpose of discussing the merits of the resolutions as such. We shall have a further opportunity, I realize, to discuss the iniquitous 2 per cent social development tax together with the other measures which the government has put

forward. Today I wish to comment on one group of the budget measures. Again, we shall have an opportunity later to discuss these on their merits. I wish to comment on a particular problem which the Minister of Finance has placed before the Canadian people by the manner in which he is proceeding. I believe this is another indication of something approaching callousness and indifference or, indeed, injustice on the part of the minister and the government. I am referring to the changes which were proposed in connection with inheritance and gift taxes.

Inheritance taxes were formerly of concern mainly to a relatively small group of the well-to-do. Now, with the proposed reductions in the exemptions, they will be of real concern to hundreds of thousands of Canadians, a substantial proportion of the people of this country. This situation arises not only because of the lowering of the exemptions but also because of the continuing inflation which exists. The minister said he wanted to help transfers to be made between husbands and wives by exempting them from transfer tax, gift tax or inheritance tax. In the process of doing so he has proposed to make it infinitely more difficult for a son or a daughter to help a parent or for a family to maintain a family farm or a family business. There can be no doubt about this.

• (12:40 p.m.)

The new rates will make it virtually impossible for a family to maintain control of a substantial family business, a large family business. This, of course, is bound to lead to more U.S. takeovers and this sort of thing, but we will have an opportunity to speak about this when the measure is specifically before us. But there are thousands and thousands of thrifty Canadians who, through the course of their lives, have built up farms. In the past they have been able to arrange the transfer of their farms over a period of time through a farmer-son partnership or something of that sort, and now the Minister of Finance proposes to make that pretty well impossible in the future, or at least to create much difficulty.

There is a lot of talk about maintaining the family farm. There is also a lot of emphasis on the need for maintaining the efficiency of family farms for them to be competitive. Yet obviously the minister is making it much more difficult for a family farm to maintain its capital position and remain in a viable state. Certainly this measure strikes a heavy blow at the concept of the family farm, and a heavy blow at the efforts of anybody who has built up a small business to keep it in his family in any satisfactory condition.

I only mention these details today for the purpose of emphasizing the importance of the subject that I now propose to develop. I have done this to emphasize that what I am talking about concerns not only a few wealthy people in Canada but indeed hundreds of thousands of Canadians. We will have plenty of time to discuss the details of the legislation, but my point today is that legislation which the minister announced, I think it was on October 12, the date of his budget speech—I do not want to be wrong about this date but I think it was approximately October 12—has not yet been introduced and there is no sign of it. As far as we know it will not be made public until some time in the new year. My point, and I want to make it as emphatically as I can, is that this legislation which is to take effect as of October 12 will not have been seen by anybody in October, November or December, and I do not know about January of next year.

Here is legislation that affects the plans, the wills and the intentions of hundreds of thousands of Canadians, and yet the Minister of Finance for some reason apparently thought it was perfectly all right for him to announce on October 12 that these changes are going to be made and leave hundreds of thousands of Canadians hanging in limbo for months and months and months.

Some hon. Members: Shame.

Mr. Stanfield: The minister says he is anxious to try to help transfers between husbands and wives. I cannot help but notice the comments that experts have been making on the budget resolution, its lack of clarity in a number of respects, the confusion it has created, and the fact that nobody will know where they really are until the legislation is introduced, in fact, until it becomes law.

In the meantime everybody is hanging in limbo. I do not know what is going to happen, what the position is of people who have had the misfortune to die or will die between the time the minister made his announcement and the time the law becomes effective. I do not know what anybody can do in the meantime to try to protect himself with regard to this measure. Lawyers and others are making it very clear that they are finding it exceedingly difficult to give anybody any advice. The one thing they are saying is that a very substantial percentage of Canadians will have to

change their wills or be penalized. Surely, Mr. Chairman, this is not good enough.

Certainly we do not know what the new law will be in any detail. The minister announced it would be retroactive to October 12. There are many doubts about the detailed meaning of the resolution. Incidentally, it is said by some that it will be years before litigation in the courts really clarifies some aspects of what the minister has in mind, but there are many doubts now which the legislation will probably clarify when it is introduced and passed, although I may be optimistic in this regard.

As I say, there is no sign of the legislation, no sign of it being introduced before the new year. Yet it will have a profound effect upon hundreds of thousands of Canadians. There appears to be at least four months of unnecessary—

The Deputy Chairman: Order. It is my duty to rise, report progress, and request leave to sit again later this day.

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 Right 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.

• (12:50 p.m.)

And being returned:

Mr. Speaker informed the house that the Deputy Governor General had been pleased to give in Her Majesty's name, the royal assent to the following bills:

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, 1968, to the 30th day of June, 1969, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company and by Air Canada.

An act respecting Atlantic Peat Moss Co. Ltd.—Mousse de Tourbe Atlantic Cie Ltée.

SUPPLY

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

The Deputy Chairman: Order. House again in committee of supply. It being one o'clock I do now leave the chair.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Stanfield: Mr. Chairman, before lunch I was explaining to the committee the confusion and injustice created by the Minister of Finance as a result of the imprecise manner in which he proceeded to announce the changes in gift and estate taxes. I should like to continue on this quiet Friday afternoon to give the Minister of Finance the benefit of another view in respect of one or two other aspects. I mentioned this morning that the budget speech was delivered on October 12. I believe it was delivered on October 22 and I should like to be as accurate as possible.

There appears to be an indication that for three or four months we will be uncertain about these taxes because of the content of the legislation concerned. In respect of anything that is far reaching we may experience several years of uncertainty so far as judicial interpretation is concerned. I do not intend to complain about the judicial doubts at the moment but rather about the procedure the minister has followed which in turn has created serious confusion in the minds of not just thousands but hundreds of thousands of Canadians. This is inexcusable.

It is my hope that the minister will not attempt to justify the creation of this confusion by saying how difficult it is to get measures before the house. I do not think there is any question of emergency in this regard. The minister has said that as far as revenue and expenditures are concerned things will pretty well balance out, at least so far as this aspect of his budget speech is concerned. I refer, of course, to the changes in estate and inheritance taxes.

The minister obviously chose his own time to announce these changes in the law. They should not be judged in terms of revenue but rather in terms of their effect on the Canadian people. Perhaps the minister introduced these changes at this time to distract attention from the size of the budget deficit and the general increase in taxation. Certainly he has created not only additional but enormous confusion.

I am wondering how estates of individuals who have died since the minister's budget speech are being administered. What effect is this uncertainty having in respect of insurance policies payable to widows and children? I am sure the situation cannot be exactly felicitous at the moment. Having announced these changes, the minister ought to have proceeded immediately to bring them into effect, thereby eliminating this confusion and bringing assistance to these widows as quickly as possible. If the minister intended to wait several months, why did he include the element of retroactivity?

The size of gifts that could be made free of taxation under the law as it existed prior to October 22 was not substantial. No great harm could befall if citizens were able to operate under the old laws so far as exemptions were concerned. Those Canadians who might have chosen to make large gifts in order to benefit from the old rates could possibly do so during this interval. This situation could have been covered by making the new rates retroactive so far as gift taxes were concerned.

As I pointed out this morning, I do not think the minister or the government fully realized the effect these proposals would have on institutions such as the family farm. Quite apart from these effects, I do not think there is any real justification for this retroactive feature regarding testamentary provisions. Certainly, even under this government, nobody is going to be in a hurry to die just to get the benefits of certain tax rates which will prevail for a limited period of time.

• (2:40 p.m.)

I suggest that the proper procedure to follow with regard to a measure designed to reform taxation—and the minister put this forward as an interim measure of reform—would be to introduce a draft bill for study and clarification because when we are considering measures which have to be fitted into the total tax structure in order to see how they work out there are all sorts of complexities that even the minister and his staff are not likely to see at first glance. So I suggest that the proper course would be to have some procedure whereby people could express their views and which would elicit comments from others outside the government service who have to work and live with these laws from day to day.

I suggest this is an improvised reform. We had improvised estimates last winter that proved to be very wide of the mark despite the most firm assurances concerning their validity. Now we have an improvised reform introduced in such a way that there will be the most severe confusion for months at least and maybe irremediable hardship for some people who get caught in the meantime.

The minister has put this measure forward as one which will be of assistance to wives. It may in the end assist wives after the confusion has passed but it will certainly assist one group of people, namely lawyers, because it will result in wills being drafted and perhaps redrafted by the thousands if not by the hundreds of thousands.

The minister has taken this course and has created confusion. I say to him that the best thing he can do now to minimize the difficulties that exist and help the Canadian people get out of the mess he has created is to immediately produce the draft bills—because more than one is required—and to place before the house and the people of the country the detailed legislation. I hope the minister does have the legislation ready. I think he should no later than Monday place before members of the house and the country draft legislation so that at least some of the confusion resulting from the bare bones of the budget resolutions will be removed and the process of consideration and analysis of the legislation can be started.

The week end is approaching so I will be content to wait until the first day of the week when I would most earnestly call upon the minister to circulate among the members of the house draft legislation relating to these proposals. The legislation must be ready inasmuch as a month ago, on October 22, the minister announced his changes. Let us have it in draft form so that we can at least start to remove the confusion which exists.

I should now like to turn briefly to two other areas. I wish to express my concern regarding the attitude which the Minister of Finance has adopted toward the country and the provinces with regard to financial questions in general. I will not go over the ground which I covered in the budget debate but I again call the minister's attention to the effect his stand will have upon the pending priorities in the country, the effect it will have on increasing the disparity in services in various parts of the country, and the unfortunate effect his attitude will have on federal-provincial relations. I am referring to the minister's imposition of restraints and at the same time his tendency to push the provinces into new programs. Generally speaking, I do not

want to exaggerate, but I think there is a very real danger that in a short period of time this government, through the medium of the Minister of Finance as well as the Prime Minister, will cause a serious deterioration in federal-provincial relations and will very rapidly lead the country close to disaster in this area.

I urge the minister to change his approach in another area which I will mention briefly. I refer to his attitude toward the problems of international currency. Judging from the minister's public pronouncement I think he is unbelievably complacent with regard to these problems because he has given the Canadian people the impression that last week's problem was largely one of European concern. His statement may have been intended to give reassurance about the strength of the Canadian dollar but the fact is we in Canada are immediately affected by the restrictions which Great Britain has imposed upon trade as a result of the currency difficulties. Surely we must all be very concerned about the way that various countries are reacting to these currency difficulties by adopting policies of restriction which cannot help but have a dampening effect upon international trade and which, if they spread, could lead to a very serious increase in the difficulties in international commerce.

I think the minister should be taking initiatives to try to bring about measures to strengthen the international currency system, and he should be doing this not only through his officials. I think there is no country in the world that has a greater interest in this or has more to fear from the existing situation than has Canada, despite the assurances of the minister. I say this because it must be very clear to every Canadian that, for example, every time the United States feels it necessary to take some particular measure to project their currency position, that measure is likely to have an effect on Canada because of the extent of our trade with the United States. When the United States imposes particular measures of a restrictive nature to preserve its cash position, what usually happens is that the Minister of Finance has to beetle off down to Washington to get an exemption from that restriction and thus yields a further measure of Canadian independence.

It is pretty well accepted that as a result of efforts we made in 1963 and again last winter to get an exemption from the United States we really do not have any independent monetary policy left in Canada. I am not exaggerating. The minister can make a face about it, but the fact is that as a result of the extent to which we are tied in by the arrangements we have with the United States in this respect, our effective autonomy in the area of an independent monetary policy is very limited. It seems to me that every time there is a monetary crisis which affects the United States or ourselves there is a very real chance it will result in a further diminution of our independence as a country.

In addition, there is our general interest in doing everything we can in Canada through our international associates to try to achieve happier methods than we have today of providing for an orderly adjustment of currencies as required, and not just have countries resorting to the kind of restrictive practices to which they are resorting today which, as I said, when they involve the United States and ourselves usually result in some reduction of our independent position. I say to the minister, therefore, there is no country that has more reason than Canada to be concerned about this subject. When he gives the Canadian people the impression that the existing difficulty is not of much concern to us but is primarily a European concern, I suggest to him he is doing no service to Canada in taking this line.

• (2:50 p.m.)

I do not wish to take any more time of the committee this afternoon because these are subjects to which we will be returning from time to time as they are brought forward. I deplore the almost unbelievable complacency of the minister with regard to our international monetary problems. I deplore his almost unbelievable arrogance—and I use that word advisedly—in giving no explanation to the house for misleading the house with regard to the estimates. I deplore the attitude adopted toward the provinces, not so much for the provinces as for the effect it will have on the people in various parts of Canada and on the governmental services available to them, and the effect it will have in different parts of Canada on the growth rate and on the growth rate of our country as a whole. I deplore the effect this arbitrary attitude will have on the distortion of expenditures and the effect it will have on the lives of individual Canadians.

As I have indicated today, sir, I also deplore the views the minister has expressed with regard to his tax measures and the effect

of those measures on not a few hundred or a few thousand but many thousands of Canadians in a quite unnecessary way. We have had a few months only of a majority government in this country. I think the minister has become high-handed in his attitude toward these problems. I am not talking about his morality. When I was speaking in the budget debate I said the government was like a bunch of western badmen, shooting hell west and crooked. This came out in *Hansard* as, "a bunch of western badmen and just as crooked".

Mr. Knowles (Winnipeg North Centre): *Hansard* is always right.

Mr. Stanfield: I was not presuming to pass judgment on the morality of the minister. However, I am saying that the people of Canada did not give this government a majority to act in such a way as not to be responsible to the house, to act in a high-handed way toward the people of the country, to be careless of the problems it is creating for the people of the country. If I may presume to give the minister a bit of advice, Mr. Chairman, I think he must learn very quickly to distinguish between firmness, which is obviously very necessary in a minister of finance, and arbitrary action and complacency which are very unfortunate in a minister of finance.

Mr. Saltsman: Mr. Chairman, on other occasions in this house we have pointed out how unfair the budget was in its impact on the little men of this country, the ordinary taxpayers, in view of the fact that the 2 per cent social development tax stops at a certain level and leaves those with higher incomes relatively free while those in the lower and middle income brackets have to bear the full brunt of the minister's austerity program. This afternoon I should like to discuss something that goes beyond equity and perhaps deals with whether this country is going to survive at all in view of some of the statements that have been made by the Prime Minister and some of the past attitudes of the government. I hope the minister will lift himself out of the boredom into which he has now sunk. There is not much time left, only another two hours. He sits there and reflects on how little he thinks of this debate. His head is sunk in his hands; he scratches his head and yawns.

Mr. Benson: Mr. Chairman, I rise on a question of privilege. I have been sitting here listening very attentively to everything that has been said by the Leader of the Opposition and I am now listening attentively to my hon. friend. I certainly have the right to make notes and to read those notes.

Mr. Saltsman: I accept the minister's statement about his attentiveness and can only say that I marvel at his great dexterity which makes him so capable of performing all these functions simultaneously.

The other day, Mr. Chairman, the *Globe and Mail* contained a report of an interview or discussion between Jay Walz, correspondent of the New York *Times*, Seymour Topping, foreign news editor of the New York *Times*, and the Prime Minister of this country. The Prime Minister was asked the following question:

> Are you worried by the influx of U.S. capital investment, in the sense that this investment might result in an American economic domination of this country?

In reply the Prime Minister stated:

> I think the problem of economic domination is somewhat inevitable—not only of the United States over Canada but perhaps over countries of Europe as well.

We have long suspected that the Liberal party had committed itself to continental integration, that the Liberal party has no concern about the future of Canadian nationalism, and this statement of the Prime Minister confirms our worst fears. I am not standing here today with the objective of haranguing the Minister of Finance. I said what I did to gain the minister's attention. I wanted his attention because I want to ask him some questions rather than to stand here and say I have all the answers, that I can tell him how to run the country. I should like to pose some questions to the Minister of Finance and to the members on that side of the house.

Perhaps the minister has some answers to these questions. After all, there are some members who recall some of the statements made by the present Minister of Finance when he was on the opposition benches. At that time we had reason to hope that things would be different if he became minister of finance. After all, he was the white hope of Walter Gordon; this was the man the former minister of finance felt had a genuine interest in the future survival of this country. This is the man who, from the opposition benches, denounced those forces that were working against Canadian nationalism. Today he is a powerful figure; he is the Minister of Finance. He sits in that exalted place and he has enormous influence in terms of the policies this

country will be following, the kind of objectives that will be sought through the use of budgetary policies.

I ask the minister if he agrees with that statement by the Prime Minister, whether he believes that Canada is doomed to extinction, that it is inevitable our economy will be dominated by the United States? Does he believe that if it is dominated by the United States there can be such a thing as Canadian independence, that we can pursue social policies different from those directed by the United States?

• (3:00 p.m.)

I am not going to take a definitive stand on the question of foreign ownership. I am not at all convinced that what stands in the way of Canada developing her own policies or maintaining her independence is foreign ownership. I think that excuse is too glib and too simple and I do not buy it at all. I think that what is standing in the way is the refusal of the government to stand up to corporate power, whether it be Canadian, American, British or any other corporate power, and to say that the government of Canada as elected by the people of this country should decide the nature and scope of our society, that our lives are not going to be ruled by the makers of toothpaste and underarm deodorant.

Policies should be formulated by this parliament rather than in the board rooms of corporations. Our policies must be debated by this parliament rather than foisted upon us by faceless corporations. We must declare that taxation will originate in this parliament instead of our being subjected to the kind of taxation that is imposed upon us by corporate power. Let us make no mistake about that, Mr. Chairman. Our corporations tax Canadians just as effectively as does the government, perhaps more effectively because Canadians do not always see such taxation whereas they do see taxation by government. The corporations, aided and abetted by our tax system, decide on the kind of expenditures they are going to make and the kind of policies they will pursue. As a result of our tax system all of us pay for this, whether we buy the specific products of the corporations or not.

I am prepared to sit down at this moment, Mr. Chairman, if the minister would tell me whether he believes that this country is inevitably doomed to economic domination by the United States. Does the minister wish to answer at this time?

Mr. Benson: The simple answer is, no.

Mr. Saltsman: Well, Mr. Chairman, it is just not good enough to say "No". The minister is contradicting the Prime Minister who has said that he believes this to be the case. It is all right for the rest of the cabinet to fly kites, but surely the Prime Minister is not flying kites. I think that more than a casual "No" thrown across the aisle is required.

What we want to know, Mr. Chairman, is what sort of policies the government is going to bring in to ensure that this is not allowed to happen. We want to know what sort of commitment the government is going to make to the Canadian people that this will not happen.

We live in great fear of retaliation. Liberal after Liberal has risen in this house and across the country, including no less a Liberal than the former prime minister, Mr. Pearson, and spoken of this fear. Mr. Pearson made a speech in the west in which he intimated that in this country we really cannot have an independent policy because 60 per cent of our exports go to the United States. He asked how we can maintain our independence when we have so many eggs in the one basket.

We seem to have this great fear that the United States will do dreadful things to us if we try to assert ourselves, if we try to develop a policy in regard to NATO that is suitable to Canada, or a policy in regard to NORAD, or if we make a move to recognize China before the United States is ready to grant us permission. There is a fear that we cannot do any of these things, and this despite the rather enlightened statements made by those who ran in the last election. Now that these same gentlemen are in office their statements seem to be forgotten; certainly they are not reflected in government policy.

What are we afraid of? It seems to me that the United States needs Canada infinitely more than Canada needs the United States. This talk of retaliation is really just a bit of nonsense. I have gone over this in my own mind and have tried to visualize in what way the United States could retaliate in any real fashion that would be of long run significance to us, and I have failed to find such ways. It seems to me that the great power of the United States rests in the chicken heart of the government and is not based on sound economic grounds. If the United States chose to invade Canada, of course, or to send a military force across the border, I do not think there is much question in my mind or anybody else's mind that that would be the end

of the ball game. But I doubt that we need worry about that sort of thing because I do not think the United States is really interested in retaliation of that kind. What we are discussing here is economic retaliation.

In this regard, Mr. Chairman, what can the United States really do to us? Would they stop buying our iron ore? They need it. Not only that, but in some ways they have given us a hostage to fortune in the sense that so much of our raw material resources are owned by the United States. They would hurt themselves in two ways. Not only would they not get the supply of ore they need to keep the mills of Pittsburgh operating but they would also hurt the interests of their own investors. I suggest that those who are afraid that the United States would stop buying from Canada are really scaring us with an empty threat. The Paley report of some years ago pointed out that the United States would become increasingly dependent on raw materials from abroad, particularly from Canada. Therefore, I think we can assert our independence and can take a stand without any great fear of retaliation.

Sometimes, Mr. Chairman, ministers of finance have a phobia about capital flows, about our money supply from the United States being cut off. Actually, all of the evidence seems to indicate that we are almost completely self-sufficient in this country in the matter of capital formation. If we are not completely so at the present time we could make ourselves self-sufficient if we taxed foreign corporations as adequately as the Carter commission suggested they should be taxed. Much of the potential taxation that is not collected in this country is money that is of benefit to foreign corporations.

As the result of this fear about the inflow of United States capital being cut off, Canada has made all sorts of suicidal arrangements that restrict our ability to influence monetary policy in this country. We probably agreed to a fixed exchange rate in return for access to the United States capital market. The Liberal party prides itself on being businesslike. It likes to talk of the close relationship that exists between it and the chamber of commerce. The chamber of commerce is enthralled with it. But it strikes me that the Liberals are poor businessmen and have made bad deals for the nation.

The other day during the debate on defence production I was pleased to be told that we do not have to worry about the end of the war in Viet Nam. If that war comes to an end and some of the defence production sharing agreements we now have with the United States are not renewed, the factories of Canada can switch over to other kinds of production. I was pleased to get that information because I think we should be getting out of shared cost defence agreements with the United States. I think the government should stop scaring the working people of this country into believing that we have to stay with these agreements because there is $300 million worth of work involved, as though no other work were available. It is as though these people are to be committed to making bombs and bullets used to kill people in a war we do not approve of, in a war in which our government has remained neutral.

• (3:10 p.m.)

Is it right for the government to slant its words in this direction? Is it right for the government to say to the Canadian people, when some of us ask for military production to be stopped because we do not wish to participate, even by the making of armaments, in a war we do not approve of: Oh, but we are preserving your jobs; that is why armaments must be made; your jobs must be preserved. I think it is quite dreadful for the government to take this stand and I hope the minister will take the opportunity to comment on this situation.

It seems to me that nature was very good to Canada. It gave us enormous wealth and great opportunity. I think Canada was very fortunate in its early leaders, who knew that to create a nation with a different sense of values they would need to be imaginative, bold and strong. Our early Canadian leaders overcome the obstacles of distance and geography and welded our nation on the northern part of this continent. They could easily have said: The economic lines on this continent flow north and south, and abdicated their responsibilities. But they did not. They made enormous sacrifices to create a special kind of country and they were successful. Distances were overcome, the nation survived, and it has prospered. But just at a time when the prophecy of another statesman who said that the 20th century will belong to Canada may come true, we find that the Prime Minister and the government do not believe the prophesy; they do not believe it will come true and do not believe it needs to come true.

This house is entitled to answers from the government. We want to know what sort of fiscal and financial policies generally the government will bring in to make sure we are

masters of our own house and that the people of this country have a future. I do not think we need to pay, as some on the government side have suggested, a large price for our independence. If anything, our independence ought to make us more prosperous than we now are. Although this debate cannot continue for much longer I look forward to hearing the minister say something on this subject that will assure our people we have not been sold out completely, as the words of the Prime Minister would indicate.

[*Translation*]

Mr. Latulippe: Mr. Chairman, at the very beginning of my remarks, I would like to say that economic balance is impossible in the present context without financial reform.

Recently, I attended the meetings of the United Nations, which must face up to the communist expansion in the world. In order to do that, we have no solution other than to arm ourselves to the teeth and ask every member country for a bigger contribution.

On the other hand, at the meeting of the economic committee, of which I was a member, I said that in order to fight communism, we should not resort to weapons or force, because I think we shall not defeat communism by using force against force.

In fact, communism is an idea and an idea must be fought with another idea, stronger, deeper, more logical, easier to understand and better suited to the economic objectives and realities of each country.

The outcome of all that is that more money is asked to revive the arms race, to buy more arms and stockpile more war material, to face the communist threat throughout the world.

There again it has been found that everything is simply an economic and financial matter, each country knuckles under again and wonders how to finance its contribution and discharge its commitments. Everything depends on each country's finances.

So, I simply said to my colleagues: If you want to finance your military organizations, if you want all countries to contribute adequately and according to their responsibilities, you must set up a financial organization which will enable every country to contribute its share, if there are no other means, without depriving the people of the necessities.

Here in Canada, we have a huge debt which cripples all our initiatives, all our economic activities. We pay too much interest on money. Federal and provincial debts are immeasurable, as well as municipal, school and individual debts.

We are now at a stage where we can no longer pay the interest on our debts; however, we must find billions of dollars to cope with communism, to organize ourselves and meet our commitments.

If we cannot meet our obligations reasonably well under the present system, let us try to improve it, let us try to find a few practical solutions to balance our economy again. If building destructive machinery is physically possible, it should also be financially possible. Something that is physically possible, should logically be possible, financially and economically. This is the point I want to make.

I should like to go over what has been done since June 25, since the present government has come to power. The claim is that great things have been done. But I say, that the people are being more and more dispossessed, and that they have new economic and financial problems. That is what the present administration has brought.

How is it that thinkers, free men like the members of the government should suddenly become the slaves of the old routines, customs and disciplines of the Liberal party? This was supposed to have been something new. They were supposed to have found a new organization to balance the economy without increasing taxes. They were supposed to find financial ways and all. Nothing at all that has been done.

A series of reforms were made in the departments, and in the office staff of the right hon. Prime Minister (Mr. Trudeau). That is not at all where reforms should be made. The people are not lacking anything there. But they do in private homes, residences and slums.

Since the present government has come to power, interest rates have been increased. Those who used to receive from 2.75 per cent to 5 per cent will get 6 per cent, 7 per cent and even more in the future, from $15 to $30 more per $1,000, from $15,000 to $30,000 per million. The poverty of the millionnaires, or lesser capitalists, does not need to be abolished. There is something more pressing than that, like increasing family allowances from $6 or $8 a month to a reasonable level, commensurate with the increase in the national production and the increase in the cost of living.

Up to $60 per month and sometimes $120 per month is distributed to foster homes and

orphanages for children of the same age. Can an unmarried person understand that?

The government does not lack money, but residences and private homes do. However, public administration goes on as before, increasing the expenses of departments and distributing increasingly considerable sums to political parties, while the individuals lack money.

The government members are constantly increasing the income of citizens who already have one thanks to their employment or their capital, but they fail to increase the income of citizens who do not have any because they are unemployed or do not have any capital. However, those individuals who are unemployed and have no capital need some income to obtain the necessities of life for their subsistence.

• (3:20 p.m.)

Let the government change this old-fashioned way of administering the country and the Canadian people. Let them think of groups of citizens without money and without income before raising the profits and the reserves of institutions, companies, banks and rich people, all of whom are already flourishing economically.

Mr. Chairman the government is still spending its time in promoting productivity, the profits, chances of success, interests and capital surplus of the rich and powerful in Canada, either themselves or their companies. The gap is widening between the rich whose income is increasing and the poor who pay more and more taxes in order to pay for rising interests on public debts. Small wonder that this national imbalance is becoming worse and worse. This must be changed if we want to establish a just society and if we want to have a united Canada.

Have the members of the present government forgotten or, indeed, ever known that companies and individuals can capitalize $28 billion on a production of $68 billion, in 1968, after having lived well and paid their taxes? Have they forgotten or even realized that, at the same time, the government has an administrative deficit every year, and that many citizens and families live from day to day, lacking the necessities of life and cursing the government, progress and society? The government has not thought or ever known what could so easily be done.

Have they ever realized that it would be easy to make a few changes, not within institutions, organizations, banks, companies, structures and systems, but merely in the basic philosophy of the right hon. Prime Minister, the 29 ministers and the 264 members of the government, so that every citizen who is not working and has no income may be given a share of the revenue of this production of $68 billion in 1968, or out of the capitalization of $28 billion, which is really becoming too ambitious and even harmful and dangerous for the economy.

All you have to do is think about it. The present government can easily set the situation to rights and re-establish economic stability on a nation wide scale.

However, this national economic stability will not come about by itself. It will only be brought about by change; it must be given new directions and steps must be taken to readjust it once more to the actual situation in the country.

Before going any further, I should like to show the graph line of the Liberal budget. The October 24, 1968 edition of *La Presse* says, and I quote:

> Of the eight budgets brought down by the Liberals since they came back into power five years ago, four raised the personal income tax, one reduced it and three left it unchanged.
>
> Since 1963, federal budgets are divided as follows:
>
> June 13, 1963: Mr. Walter Gordon and his "realistic budget" are soon in hot water, and the budget has to be appreciably modified; however, the minister persists in his determination to bring no change in the personal income tax.
>
> April 26, 1965: anticipating a $300 million deficit, Mr. Gordon reduces by 10 per cent the personal income tax. In one year, the government loses $265 million A married man with two children earning $5,000 a year was to benefit from a $30 reduction which brought down to $208 the amount for that fiscal year.
>
> March 29, 1966: Mr. Mitchell Sharp invites the Canadian people to "spread out prosperity". He restores for the most part the reduction granted by Mr. Gordon. The low wage-earners still benefit from a 10 per cent reduction, but on the whole, the government takes back $210 million out of the $265 million lost the previous year. The tax reduction for the taxpayer earning $5,000, now amounts to only $20.
>
> December 19, 1966: Mr. Sharp's mini-budget changes the 4 per cent tax on taxable income distinct from the basic tax, tax which pays most of the cost of the old age pension. Increasing from $120 to $240 the maximum amount a taxpayer can pay in that regard, Mr. Sharp increases to $135,000,000 per year the fund which makes it possible to assure an income to pensioners. As a result needy pensioners can get a $30 supplement to their pension which amounted to $75 a month that year.
>
> June 1, 1967: Hoping for a new deficit to fight the recession, Mr. Sharp does not tamper with the income tax rate.

November 3, 1967: Mr. Sharp wants to levy a 5 per cent surtax on basic tax over $100, limiting the increase to $600 for each taxpayer. That bill is defeated in the Commons, and Mr. Sharp proposes a surtax of 3 per cent, illimited, which is finally approved in March of this year.

Effective for 1968 and 1969 only, the surtax will yield $105 million in 12 months. The family-head with a yearly income of $5,000 will have a tax increase of $3.

October 22, 1968: Mr. Benson levies a "social development" tax of 2 per cent which will be effective on January 1, 1969, and which applies to the taxable income, as the old age security tax. Contrary to Mr. Sharp's surtax, this tax does not apply to the basic tax only and, therefore, the yield should be higher. Mr. Benson thinks that this tax of $46 for the taxpayer with an income of $5,000 will yield $440 millions to the government in one year.

That is, Mr. Chairman, the administration, the logic of the present government. The present government is doing eaxctly what its predecessors have done. You do not have to be a genius to understand the situation. Things have not changed an iota in the last five years, the last ten years or even since Confederation. This financial nonsense, Mr. Chairman, adopted in wartime is accepted in peacetime. With the help of borrowed money at exorbitant rates, we are trying to progress in peacetime. In order to pay our wartime debts, we are increasing the value of bonds issued to finance the wars to 2, 3, 4, 6, 7 and even 8 percent. Such are the ways of the present administration.

• (3:30 p.m.)

They imagine themselves able to set things straight, while the economy is tumbling down. There seems to be no ways to find a balance. I think the hon. Minister of Finance is beginning to have headaches. If he would think it over and listen to those who might have some solutions, the situation might improve. I believe it would be easy to decrease the taxes and I believe also that it is easy to have everybody pay taxes on an equal basis rather than having an income tax form for the small taxpayers and one for the others. Under the present system, everything is taken from the poor and given to the rich. If means cannot be found to balance our economy, well, let us take a look at the income tax rates and let justice be done. The most outrageous injustice ever done in any country is found in our income tax rates. It has created widespread dissatisfaction. It is what is bringing on the revolution in Canada and it will lead us to war and disaster. Injustice reigns in the field of taxation.

The Carter report, up to now, has offered logical solutions; however, they have not yet been followed; they were not even looked into. Like all the other reports, the Carter report will probably remain on the shelf and no attention will be given to it, although it cost $3½ millions.

Mr. Chairman, the Berlin or Moscow dictators, as well as the modern banker, grab the people's money and, being dictators, use it either to make guns, or to get people into debt; both types despise mankind, both want to dominate the world. The cult of the race, the cult of the pocket-book, a terrified world, cowering under a deadly weaponry or crushed by ruinous debts which it cannot repay: bend or die, pay or croak, such is the situation and everyone knows it.

Prosperity is not dependent upon a perpetually favourable balance of payments, Mr. Chairman. A monetary instrument does not need gold to play its role. It is unused money that causes unemployment of men, and an injection of new money would revive the general activity. With a currency regulated according to the needs of a country, it would be possible to keep that country out of economic depressions. If the volume of money regulated by the state removes stagnation, money in the hands of the state would guide the various activities and constitute a real dictatorship by the government over the economic life of the country. It would replace bank dictatorship by political dictatorship.

If, on the contrary, Mr. Chairman, by deduction, money originally placed in the hands of the consumer were to guide the economic life, according to the wishes of the consumer, that would generate social and economic democracy where freedom could develop against all forms of planning or dictatorship as imposed upon us today.

As far as workers' salaries and interests paid to investors are concerned, planning will never succeed in solving this problem, since progress is reducing the number of people earning a salary. It is because we cling to that policy of salaries and interests that millions of people earn a bare living and curse progress instead of blessing it. This is why Social Credit is asking to distribute dividends to everybody, so that everybody may share in progress.

I say: "share in progress". Progress is the result of science which, together with the personal work of inventors and investors, who are rewarded in the usual way, which is their justification. But accumulated science, which is common capital, plays an important role in invention and progress. After the capitalist and the inventor, as well as the

workers, have been rewarded, that share remains of accumulated science which belongs to everyone.

That is why all the good things which remain unsold, all the good things that the salaries and interests do not buy, belong to everyone. Everyone is entitled to his small share, instead of letting it go to waste and stopping progress. And who is to see that everyone shares in the progress? The present government, seeing it represents everyone and is responsible for the well-being of all.

There are several ways of allowing men to purchase their share of progress. First of all, by lowering the price of goods so that more can be bought per dollar; secondly, by increasing the number of dollars in everyone's hands; thirdly, by lowering the absurdly high rate of interest we are subjected to and tolerate today.

Progress in the volume of production requires progress in the volume of money. As enormous as it is in the first case, it should become enormous in the field of distribution. Those who stick to the old methods of financial distribution, as we do today, are the enemies of progress and distribution; they paralyse the growth of progress in production and prepare the progress of revolution. As progress distinguishes man from the beast, Social Credit distinguishes the intelligent from the imbecile.

The government of a country certainly has the right to administer, legislate, implement for the common good, for the common prosperity of all. The government has that right or, if you would rather, that legal power. It also have the physical power, the executive capacity, it can find the men, the equipment and the things needed to serve the community. But it happens that the government does not acknowledge it has financial power; it always stumbles across restrictions in the field of finance.

This means that in spite of its unquestioned legal power and unlimited physical power, the government stands still for lack of financial power. Even in the case of centralized and planned government, as a result of the bill on economic planning proposed by several honourable members, who are economists too, the same remarks hold true. Legal and physical powers are not enough without financial power.

The honourable minister takes good care to stay away from the financial power. That is why, while proclaiming the rights of each individual, while asking for as much legal powers as possible for the lower organizations, we maintain that unless a financial power is also given to individuals, corporations and governments, the economy will remain paralysed, plans will stay on the drawing board, certain reports will gather dust, for lack of readers—the minister is aware of that—the citizens will remain poor and unemployment will rise, as is the case today.

At the present time, the number of the unemployed in Canada increases tremendously and within two months, we shall see what happens, as far as unemployment is concerned, in our beautiful Canada.

We do not object to the increase in the price of butter, to a gainful return for the farmers, for their products, but the reasons given by professors of economics are but a recognition of the figures. It is always necessary to adjust man, to adjust the consumer, to adjust the demand to the supply. We always do it the opposite way, and man is the victim.

When will they see the light and adjust the purchasing power? When will the Prime Minister, and the Minister of Finance bring the purchasing power into line with existing facts and situations? When will we see the great economists, highly paid and highly compensated by the system, ask for reforms in that direction?

The Acting Chairman (Mr. Richard): I regret to interrupt the hon. member, but his time is up.

Mr. Latulippe: Would you allow me, Mr. Chairman, to ask the minister to open his eyes and his ears and to reflect on everything that may happen in the next few days.

The Acting Chairman (Mr. Richard): Order, please.

• (3:40 p.m.)

[*English*]

Mr. Benson: Mr. Chairman, I should like to make a brief statement with regard to the management of the public debt for the information of the committee and the public in connection with the announcement I am making in the normal way concerning the refunding of forthcoming maturities.

On November 21 I was able to announce the results of the highly successful Canada savings bonds campaign this year, and the plans to refund, through a new issue of $75 million of special 364 day treasury bills, a

part of the $125 million of special treasury bills maturing today. These bills were sold at auction yesterday. I am announcing this afternoon plans to refund the $100 million issue of bonds maturing on December 15 and at the same time to refund in advance $100 million of the $400 million of bonds maturing on July 1, 1969. Such advance refunding will be of assistance to us in our debt management operations in the next fiscal year. In addition I have thought it prudent to raise an additional $50 million in cash through this issue to cover a portion of the recent increase in our exchange reserves, which will be announced in accordance with the usual timetable on Tuesday morning next.

I think it may be helpful to review the present prospect for further public debt operations during the remainder of the current fiscal year. In doing so I must stress the tentative nature of our projections by reason of unforeseeable changes in our foreign exchange reserves and also in the pace of the normal seasonal redemptions of outstanding Canada savings bonds.

Over the remaining four months of the present fiscal year I may wish to make some modest increase in the volume of treasury bills outstanding. Such an increase would take the form of small additions from time to time in the regular weekly issue of 91 day and 182 day bills. Combined with the bond financing announced today a modest increase in the bill issue, on present expectations, would leave the government with adequate working balances at the end of the fiscal year. In mid March plans will be announced for the refunding of $410 million of marketable bonds maturing on April 1. It is quite possible that this financing will be designed to raise some new money to meet the seasonal decline in cash balances in April. As in the issue announced today, the possibility of advance refunding will be considered in connection with each new issue to facilitate the orderly phasing of our debt management program.

If unforeseen requirements for the purchase of foreign exchange or the redemptions of savings bonds result in a significant reduction in the expected level of cash balances at the end of March consideration will be given to some new financing dated in February, but on the basis of the present prospects I do not believe that such an issue will be necessary.

I hope that this statement will be of assistance to the bond market and to those planning issues during the winter season.

[Mr. Gilbert.]

Supply—Finance

Mr. Chairman, while I am on my feet I should like to comment very briefly on a few matters which were raised by hon. members opposite. First of all, I wish to return to the question of the recent developments in the international monetary system, which has been raised by the hon. Leader of the Opposition. The recent crisis which affected the Deutsche mark, the French franc, and indirectly other currencies as well, was a source of deep concern. We can therefore all be reassured by the development in the exchange market during the past week. The measures announced by Germany, France and the United Kingdom, and the evidence of their vigorous implementation, appear to have restored the stability to the foreign exchange situation. A good start has been made.

It is understandable, however, that a disturbance on the scale of the past fortnight has given rise to some questions about the monetary system itself. On November 25, members of this house suggested that the system should be re-examined once again by an international conference. Similar suggestions have been heard from a number of other quarters and, in particular, the suggestion has been made that there should be a greater degree of flexibility in exchange rates.

I believe it would be appropriate for me to stress that the attitude of the government of Canada toward the international monetary system has been far from rigid. Members are familiar with the many discussions which have taken place in a variety of international meetings in recent years. During the last five years in particular, those concerned with international monetary question have met regularly within the framework of such organizations as the I.M.F., the Group of Ten and O.E.C.D. Canada has participated actively from the outset in all of these discussions, seeking to find ways of improving the system and consistently supporting the great number of improvements which have resulted.

The most notable of these has been the scheme for special drawing rights. It is hoped that the enlargement of the powers of the International Monetary Fund to allocate special drawing rights, which will add to international liquidity in a manner subject to rational, international control, will soon be an accomplished fact. In this context members might wish to note the significance of the forthcoming amendments to the Bretton Woods agreement legislation, which will enable Canada to help achieve this goal at an

early date. Improvements have also been made in the arrangements regarding gold. Less spectacular, perhaps, but at least as important, have been the continuing efforts to improve the balance of payments policies of countries, and the operation of the adjustment process. Canada will continue to participate in his process of evolution and will examine with interest every proposal for further improvement of the system. The advantages and disadvantages of such particular proposals as that to enlarge the permitted degree of exchange rate flexibility are debatable. Nor is it clear whether they can command the necessary degree of international support, since the events of the past fortnight gave added evidence of the strong desire of countries to maintain their currencies at existing levels.

• (3:50 p.m.)

I feel some concern that the recent monetary difficulties may cause our attention to be diverted from the progress which has been achieved in international trade and payments in recent decades. During the postwar period world trade has grown rapidly and has been liberalized to a very marked degree. This has been of great benefit to Canada as a major trading nation whose prosperity depends on world trade to a degree equalled by few, if any other countries. It also was achieved, despite the fact that international liquidity grew at a much less rapid rate, particularly so in recent years.

Imbalances have emerged and have occasionally given rise to crises. These difficulties, however, have been contained by the adoption of appropriate economic and financial policies by industrial countries and, in the short run, by international support operations, all of which evolved within the framework of international consultations. I might refer in this context to the substantial improvement in the balance of payments of the United States which recent statistics have indicated. The first order of business therefore is to press on with these tasks and implement the plans which have been made to ensure future growth of international reserves.

The Leader of the Opposition raised a few other matters which I think are worthy of comment. First of all he referred to the estate and income tax resolutions. When I introduced the estate tax and income tax resolutions in the house they, of course, included changes in taxation of insurance companies in Canada. These are very complex changes and I indicated at the time that there would be discussion and reviews made after hearing from people in respect of these particular measures. I indicated also that I would not press these changes, with the result that we might have bad taxation law, because I personally do not want bad taxation law in Canada.

Having regard to the estate tax changes, they were made on October 22, budget night, because it was necessary to make such changes effective at that time, at least I believed it was. I still believe so, because of the many things that can be done during any intervening period of time. This is not retroactive legislation. Tax changes are almost always effective as of budget night, as my hon. friend will recall from past experiences. Perhaps I should say to my hon. friend that we have really had very few inquiries in respect of estate tax changes. We will be happy to consult with people, and with the professions, if they wish to come to us at any time. People will be available to talk to them because we want to end up with good law which will be effective.

There may be some period of uncertainty, as there always is when substantial changes in tax legislation are made. I hope this period will not be unduly long. I would have dealt with these changes now if we had the necessary time, and I am not trying to use this as an excuse because we are moving forward at this time. We hope to pass these measures in January, and if one checks back on former legislative changes in the tax field he will find that this will be one of the fastest changes to estate tax laws that has taken place in this house. Perhaps there will be a longer period of uncertainty than there should be. However, if it is passed within two, two and a half or three months it will still be one of the fastest changes.

There are a few other questions raised by hon. members.

Mr. Knowles (Winnipeg North Centre): Would the hon. member permit a question? Am I correct in assuming from what he has said that he does plan some changes in the estate and income tax legislation?

Mr. Benson: No, I am not contemplating changes at this time, but there are some things which were left open. If the hon. member read my budget speech carefully he will know that in respect of the determination of investment income by insurance companies to

be taxed, there are some matters for consideration. We felt in this regard that consultation would be useful. I have no intention at the present time to change the resolutions, to answer the hon. member's question. The Leader of the Opposition also raised a number of other questions, and deplored this and that. I came to the conclusion that the real reason for his deploring this and that lies in the fact that the Canadian public did not elect him as Prime Minister on June 25.

Some hon. Members: Oh, oh.

Mr. Benson: I have heard that hon. gentleman deplore so many things on so many occasions—

An hon. Member: You have no cause to say that.

Mr. Benson: The hon. member has received answers from the President of the Treasury Board, yet he said he has not received explanations regarding particular questions. In any event let me move on to the questions raised by the hon. member for Waterloo. He criticized me for not paying attention. I note that he is not even in the house to hear my reply—

Mr. Gilbert: Mr. Chairman, I rise on a question of privilege. The hon. member for Waterloo is now attending a radio broadcast and he is unable to be here. I think it is unfair for the minister to make such a statement at this time.

Mr. Benson: I am sure the hon. member is out of the house on very important business. I shall take the first opportunity when he is back in the house to answer the questions he raised.

Mr. Lambert (Edmonton West): Mr. Speaker, I find it rather touching on the part of the Minister of Finance when he claims that the Leader of the Opposition has made speeches in which he has deplored this and that thing. Of course the whole country deplores some of the things the Minister of Finance has said, as well as many things he has not said which we expected during the budget speech. The minister has still not explained the credibility gap referred to by the Leader of the Opposition. I refer, of course, to what actually has happened and what was suggested by the minister's colleague, the President of the Treasury Board. In any event, the government's record is there to be seen. There is a credibility gap. There is no question about that. It still remains unexplained.

The Leader of the Opposition has complained about the minister making statements outside this house in explanation of those things which should be explained here. Many members have complained about the minister making statements on television and radio, where he is not faced with a critical audience. I think government ministers should learn that this should not be done. These explanations should be given in the house. It is all very well for them to go out and speak before the television cameras, but these important statements must be made in this house where questions can be asked and answers provided. Ministers should not go before the television cameras to rationalize the positions they take, where they are not faced by those who will demand justification for their words, and where they cannot be brought up short and kept honest.

It was my intention to make certain comments this afternoon. I was interested to find that the minister touched upon some of the subjects I had in mind. He indicated that a week ago he found himself in the position to point out the successful campaign in respect of Canada savings bonds. He indicated that as a result he was going to be able to make some refunds. In other words, he has found himself with a limited amount of cash. What is going to happen 14 years from now when the government has to repay for these bonds at the promised rate of interest? Does the government intend at that time to entice or induce the bondholders to exchange these bonds for new bonds at a greater rate of interest? Quite frankly, I believe the government misrepresented the facts in respect of this latest bond issue. The advertisement suggested a basic interest rate of 6¾ per cent, increasing to 7 per cent. The advertisement stated that if investors did not cash their coupons they would receive a 150 per cent increase at the end of the 14 year period. But they did not tell the investing public that if those bonds were held for that time the value of $150 on a $100 bond would be taxable as income at the marginal rate.

• (4:00 p.m.)

Mr. Benson: I am sure my hon. friend knows that there is an alternative and that you can report interest each year and pay the tax as you go along.

Mr. Lambert (Edmonton West): I grant you that, but you do not report it unless you have cashed the coupons.

Mr. Benson: No, that is not so.

Mr. Lambert (Edmonton West): There are very few people who are aware of this and they will simply ignore the bond interest up to the limit which need not be reported. There is more danger in what is not said than in what is said, and I can assure the minister that for the average investor it will be a case of paying income tax on the whole $150 at the marginal rate. So in effect this is a tax on capital. I agree that if a taxpayer wishes to report his income and pay tax on it, and if he then were to reinvest at the current rates each year, then there would not be a tax on capital. If the interest is left merely at compounding rates and unreported, the tax becomes a tax on capital because the whole of $150 would be taxed at the marginal rates as income.

In his statement this afternoon the minister was very careful not to indicate at what price the treasury bills were sold, what was the effect, and what were the rates on the bonds on which he is refunding in December and on which there is to be a pre-refund. I have the information here, so it is quite all right, but I would have liked to see the minister announce it because in actual fact I would suggest to the house the following—and here I will go into the precise details. For instance, the December 15, 1968 issue at the November 6 interest rate would be 6.15. The rate was not shown for the week of November 27, but if we look at the July 1, 1969, issue on which there is to be a $100 million pre-refund, we find that as of November 6 the rate was 6.27 and on November 27 it was 6.13. What will be the rate on the treasury bills? We know that the average rate on the 364 day special issue on this week's sales of treasury bills was 5.90, and a year ago a similar $125 million issue had an average yield of 5.65 per cent. In other words there was a full one quarter of 1 per cent increase in the interest on this type of investment in the spread of one year. Accepted bids reported by the Bank of Canada on this rate ranged from a high of 94.501 for a yield of 5.83 per cent to a low of 94.408 for a yield of 5.94 per cent. In other words, the minister is engaged in some refinancing here on very small fractions of 1 per cent.

During the sale this week the average yield for government of Canada treasury bills rose slightly from 5.65 per cent of last week to 5.66 per cent. Accepted bids on the $135 million ranged from a high of 98.613 for a yield of 5.64 per cent to a low of 98.605 for 5.57 per cent. The average bid was 98.603. I am putting this rather detailed information on the record because I think it is very relevant.

[Mr. Benson.]

On the $35 million of six month bills, accepted bids ranged from a high of 97.223 for a yield of 5.73 per cent to a low of 97.215 for 5.75 per cent. We are told that similar amounts of both types of maturities, that is the three month bills and the six month bills, are to be offered this coming week.

It is strange that the Bank of Canada bought $36 million worth of treasury bills in the last week to support the sagging bill market. The minister indicated as well that the Bank of Canada is going to take a substantial portion of the forthcoming sales. This is a deliberate central bank action to support the bond market. In other words, the bank is actively participating in maintaining a lower interest rate than a true market rate if the forces of demand and supply were given a free operation and if the bank were not in there to support the rate. I suggest that this is why the minister is able to make refunds at a rate slightly below the existing market rate on refundable maturities.

We are told that there are to be further public debt operations during the remainder of the current year so that the government can engage in what they call a better debt management. I have a very uneasy feeling with regard to some of the operations of the government in the bond market. The classic example was the last Canada savings bonds operations. As I indicated, I wonder how high the government can go or what kind of carrot it will have to fashion in order to entice or induce the bondholders to exchange bonds either ahead of time, or again to postpone maturity date.

In other words we see the government building up a snowball when we look at the figures of the total government indebtedness, how much it has changed over the past few years, what the government has done and what are its prospects in the forthcoming years. In any event we have seen a natural build-up which I would say is conscious, and in many instances equivocal in the actions taken by the government to induce bond-holders to exchange their present holdings for bonds of longer maturity at higher rates. But there is always a day of reckoning. On the night of the budget we were talking about chickens coming home to roost. These chickens are going to come home to roost. I think the minister may be able to find some solace in the hope that he will not be the minister of finance when these things will have to be faced by whoever is occupying the office at that time. I am not talking about a sudden

political reversal or anything like that, or the sudden demise of the minister. These happenings are being pushed off many years into the future.

• (4:10 p.m.)

Let us look at the interest rate as it stood during this week. On the day to day loans the average closing rate as of November 27 was 5.20 per cent. About a fortnight ago the rate was 4.75 per cent. In other words, day money has almost gone up by one half of 1 per cent. Surely the Bank of Canada return does not mislead. I am reading from it, and I think I can interpret the return quite as well as the minister. This is what it says. If the minister does not believe me, he must control his facial expression because there was a sort of grimace of disbelief on his face when I read out these figures.

Then, we go to the long term average, which is 6.95 per cent, and that is very close to the 83's at 7.12 per cent. This is a clear indication, Mr. Chairman, that the investing public still has a great fear of the bogey of inflation. As we go through the maturity dates of the major government issues in progression further and further away in their date of maturity, the interest rate rises. In other words, the investing public has less and less confidence that the government will be able to contain inflation, in view of its present performance. These investors therefore are hedging against inflation.

We could go through the whole of the statistical summary of the Bank of Canada and go through the bond issues to see where they stand and what they have done. Let us look, for instance, at the 83's. In May of 1966, they stood at 92 7/16. We should remember these are 4.5 per cent bonds maturing on September 1, 1983. The average rate at that time was 5.14 per cent. Any person who two years ago bought these bonds maturing in 1983 at 92 today would be $16 per hundred poorer because the market valuation of the same $100 bond would be $76.50 or an average rate of 7.07 per cent.

Let us look at the shorter term maturities, say the 7 per cent maturing April 1, 1973. Here we find a clear indication of a reversal. The present valuation of that bond is $101 for an average rate of 6.63 per cent. This is a clear indication of where the market has stood, somewhere between 6.75 per cent and 7 per cent. The 72's, which in 1965 were $95.50, on November 2 were down to $92. It is rather pathetic to receive letters from pensioners—

Mr. Stanfield: Where are the perpetuals?

Mr. Lambert (Edmonton West): They have disappeared from sight. In any event, as I say, it is pathetic to receive letters, such as I did the other day, from a man who is 83 years old, who, a few years ago, invested his remaining free capital in some 83's. Now, he is faced with his own illness as well as illness in his family, and must dispose of these bonds. He bought them at close to $100 and he was quoted, on the market, about $74. He writes to me and says, in what can I believe if these bonds of the government of Canada for which I paid almost $100 per bond will now only bring me between $74 and $76? This is the type of hardship that is being imposed on the investing public.

Let us not forget that the great proportion of Dominion of Canada obligations are held by the public, not the insurance companies. I know it is true that many government funds, such as unemployment insurance and the superannuation fund, have moneys invested in government securities. Let us look back and see the amount that is in the hands of non-residents. Of a total of $22,634 million of government of Canada obligations of all kinds, in May of this year residents of Canada held about $6 billion. In other words, they held roughly 25 per cent of the obligations. These are rough figures, and I am sorry that, as I stand here, the calculations cannot be more accurate. If a trust fund, shall we say, a union pension fund or a firm pension fund, it does not matter, had invested in Dominion of Canada bonds such as the 1983's, the trustees would be faced with losses on the face value of these bonds because of this rise in interest rates. The rise in interest rates is attributable, in part, to the actions of the government or the inaction of the government. Although the government may not be entirely responsible for the rise in interest rates, they are responsible in good measure for the rise in interest rates. This results in one of the hardships imposed upon the general public.

The other subject I want to speak about, Mr. Chairman, in the few minutes that remain comes within the estimates of the minister and relates to the Auditor General. We could go to the blue book and read from pages 138 to 155 all of the estimates for which the Minister of Finance is responsible. I should like to refer, however, directly and primarily to those of the Auditor General. The pertinent legislation provides that the Auditor General is responsible to parliament, not to the government. Yet we have seen how

governments have placed the Auditor General within certain restrictions, and continue to keep him there. He is not unfettered. He cannot report independently to parliament. How is this? For one thing, we have received representations from time to time from the Auditor General with regard to the size of the staff he requires to enable him to report meaningfully to parliament.

• (4:20 p.m.)

The Auditor General has not been allowed to increase his staff, Mr. Chairman. Why? Because his administration budget is subject to Treasury Board direction. Who sits in control of the Treasury Board? The Minister of Finance and the President of the Treasury Board. This is the limitation that is imposed directly on the Auditor General, I think it is scandalous and should be brought to an end as quickly as possible. The government must free the Auditor General. The Auditor General's office is not the servant of government, it is the servant of parliament. Yet the present situation is quite in keeping with the philosophy expressed by the government through the words of the Prime Minister, who has said: "We are the masters of parliament; we are the masters of this house". To that extent, Mr. Chairman, I suggest the government is being dishonest with this house by maintaining its control of the office of the Auditor General through control of its estimates.

We have seen a very modest reply to his repeated demands to be able to hire staff so as to enable him to do an adequate job on behalf of parliament. We know the Auditor General and his reputation for being honest and fearless. It must be because he is honest and fearless that these restrictions are maintained. This has been the practice over the years, I am not denying that it has not existed before. But I think the practice is wrong and that the government must immediately remove this injustice so far as parliament is concerned. Therefore, Mr. Chairman, I am looking forward to the announcement to be made in due course by the minister that the Auditor General will be given a freer hand and will be given that responsibility which the legislation passed by this house intended him to have.

The last point that I should like to raise is this, Mr. Chairman. Within the next fortnight another dominion-provincial conference will be convened. We know that after the last one the provinces went away—to say disappointed is the understatement of the year. To say that relations between the federal government and the provincial governments are on a good basis is also a major understatement. I suggest that this next conference is going to be the last chance for this administration to repair the harm that has been done to relations between the federal government and the provinces.

Yesterday we had the words of Premier Robarts of Ontario in which he gave fair warning to the federal government in terms that I think are even blunter than those which any premier of the province of Quebec may have used, or have been alleged to use. Naturally, Mr. Chairman, not as much ink will run because the remarks do not seem to have been motivated by the same circumstances. They have a political connotation. It is not racial, it is not religious, it is not linguistic, but political.

Perhaps the premier of Ontario has overstated his case, Mr. Chairman, but surely to goodness even we in this house must recognize the justice of his cause. We have heard the treasurer of the province of Ontario indicate the parlous state into which the province will be thrown in regard to taxation in order to meet legitimate programs. They are not embarking upon a new spending orgy. I will admit that the provinces could curb some of their programs, but many of them are joint programs initiated by the federal government.

On the one hand, Mr. Chairman, the federal government misses out on its estimates by some $700 million this past year. This it blames on joint programs with the provinces in limited sectors, and says the provinces should watch them more carefully. But who in the first place drove the provinces into that expense, and who now intends to drive them into medicare?

The province of Alberta I think has enjoyed, among all provinces in Canada, perhaps the greatest prosperity at the government level, not entirely due to ability but as a result of the good fortune of resources—though there has been some wise administration as well. I should just like to read the headline of the Edmonton *Journal* for Tuesday, November 26, which says: "Alberta's 6-month deficit hits record $132,290,000". And this, Mr. Chairman, for a population of 1.5 million people. This figure is $29,500,000 more than the six-month deficit for 1967-68, and we know that in 1976-68 that deficit was $99 million. In 1966-67 the deficit was $1 million.

When was the great change made in regard to post-secondary education, Mr. Chairman? It was in 1966-67. We know that the province

of Ontario accuses the federal government of underestimating by far the cost of the post-secondary education program imposed by the federal government on the provinces. I warrant now, Mr. Chairman, if the deficit in the province of Alberta was $99 million for 1967-68, that the deficit for this year will be in excess of that sum. Yet Alberta is supposed to be one of the wealthier provinces of this country.

Premier Robichaud of New Brunswick has indicated that the budgetary deficit of his administration will be $42 million. The population and resources of New Brunswick are not comparable to those of the province of Alberta. As I said the province of Ontario is facing real problems. They have not yet indicated the size of its budgetary deficit but no doubt we will know the figure in a couple of months. And what about la province de Quebec?

All along the line, Mr. Chairman, there is an indication that the provinces will have to pull in their horns. I am not going to hesitate to tell this committee what the provincial auditor of Alberta, the provincial equivalent of the Auditor General of Canada, had to say in his report. He said that the only remedy is a complete re-examination of all expenditure programs of the province to decide which have become obsolete and which are not doing what they were designed to do. Mr. Huckvale said that he had been trying to preach restraint. We have also heard that said here by the Auditor General.

Time and time again, Mr. Chairman, we have had exhortations to the government to decide with the provinces on priorities so that they can live within their incomes. But now everybody must go and wear sackcloth and ashes. We must live in short commons. There are restrictions on this and that. There has been fiscal mismanagement by this administration over the years, and we are now having to pay for it. I do not for one moment believe the budgetary estimates for 1969-70 any more than I believe those we have had for 1968-69.

I see you are getting impatient, Mr. Chairman, and that my time is up. All I can say is that the sorry record speaks for itself.

Mr. Gilbert: Mr. Chairman, every time I look over to the Minister of Finance and he expresses worldly wisdom on his face, with his big smile and his silence on so many issues, I think of Buddha. Perhaps he should be called "Buddha Benson". This is the impression that some of us get with regard to his attitude to some of the problems that directly affect Canadians.

I should like to deal very briefly with some of the matters that have been brought to my attention by constituents. The first is a letter from the president of the superannuated women teachers of Ontario. It is dated November 21 and says:

• (4:30 p.m.)

May I draw to your attention, a petition which was forwarded to the Prime Minister this summer by the Ontario Association of Superannuated Women Teachers. It had been previously accepted by (1) The Provincial Council of Women, (2) The National Council of Women, and (3) The Canadian Teachers Federation, at their annual meetings. We now have the support of approximately 1,003,000 women.

In view of the obvious merit of this petition, may we hope for your whole-hearted support when the opportunity arises?

The resolution that the president, Mrs. Harriet C. Miles, refers to was passed in Toronto on January 25, 1968, at the conference of superannuated teachers. It reads:

Whereas the spiralling cost of living during the past ten years has caused much distress to many of the older group of citizens of Canada, and

Whereas the tax burden is falling heavily on those no longer able to earn, and

Whereas their already slashed incomes are being still further eroded by constantly increasing taxation,

Be it resolved that for all citizens of 70 years and over the income tax exemption shall be increased from $1500 to $2500 beginning January 1st, 1968.

I should like to hear the minister's reaction to this resolution which was passed by the Association of Superannuated Women Teachers. One million and three thousand persons support the association in Canada, and I think the minister ought to know that. He ought to make some statement other than that he is studying the matter and it will probably be brought forward in the spring's tax proposals.

Second, I wish to say a word about our foreign exchange rate. The minister came back last week from the monetary conference and made a pontifical statement in the house assuring us that we could have confidence in the dollar and that everything was all right. We, in the N.D.P., for a long time have been advocating a floating exchange rate. The minister has remained silent on this proposition. In fact, when the hon. member for

Waterloo raised it the Prime Minister's response to a floating exchange rate was, "Heavens, no!" Yet the Postmaster General, a colleague of the Minister of Finance, has spoken out loudly and clearly on the question of Canada's having a floating exchange rate policy.

Last week I quoted part of something he had written for a book called, "The Nation Keepers". On page 214 of the book he sets out the argument for a floating exchange rate. I should like to hear what the minister has to say about the floating exchange rate, especially since this idea is becoming popular in financial circles. For some time now the president of the Royal Bank has advocated a floating exchange rate. What does the minister say to that?

It has been suggested that a "crawling peg" rate would solve monetary exchange problems. Writing to the London *Times*, Douglas Jay, a cabinet minister of Great Britain, had this to say about our recent currency crisis and the crawling peg rate:

> This could be done, for instance, by a system on the lines of the so-called "crawling peg". The exchange rate on any given day would not be able to move by more than, say, 1 per cent on either side of the peg. But the peg itself would be based on the average market rate over the previous, say, 12 months. The peg would thus "crawl" up or down automatically, without political decision or political crisis. The weak currency could slide down, and the strong up, by as much as 2 per cent a year. This should enable the long-term adjustments to be made without provoking uncontrollable speculation.

What does the Minister of Finance say to the idea of a crawling peg rate, which, as Mr. Jay says, might prevent speculative crises such as we have had recently.

Third, I wish to direct the attention of the Minister of Finance to an unsigned letter that came to me through the mail. I do not know who sent it but the heading is, "Tax Evasion Cuts Revenue". The letter reads:

> Canadian corporations have been deferring income tax to future years since 1958.
>
> Federal and provincial revenues, depleted by billions of dollars over ten years, have burdened municipalities and school boards with heavy debts, involving interest at high rates and forcing ruinous taxation on small property owners throughout Canada.

Below the letter there is a list of 40 corporations with amounts of money opposite the name of each corporation. For example, the companies are shown as follows: "Bell of Canada, $79,916,000; Dominion Foundries, $101,617,000; Aluminum of Canada, $139,405,472; Imperial Oil, $87,645,000;." I have taken these companies at random from the list. I shall send the minister a copy of the letter and ask him to explain its meaning. Does it mean that Canadians are being bilked out of approximately $1.75 billion every year? If the minister could recover the amount that is owed to him in this manner he would have no problem in raising money to meet next year's expenditures.

I now wish to direct the minister's attention to the Carter report. It will be recalled that the right hon. member for Prince Albert appointed Kenneth Carter in 1962 to investigate Canada's tax structure. The report was submitted to parliament in February, 1967 and showed the tax inequities burdening low and middle income groups in Canada, and the unjustified benefits enjoyed by oil companies, mines and insurance companies by way of depletion allowances, tax holidays, etc. When the report was tabled in the house the present Minister of Finance attempted to play it down. He belittled it by saying it applied only to 1964 and, more especially, that it would have an adverse effect on the potential economic growth in Canada. I understand that the minister of finance of that time directed six special, independent studies on this matter to be undertaken in his department. He wanted to know what effect Carter's recommendations would have on the potential economic growth of Canada. All those studies indicate that if the recommendations were implemented they would have no adverse effect on our economic growth.

The high priced officials who assist the minister are in the gallery, and I am sure the Minister of Finance would be happy to table those independent reports that some of his officials may have prepared on the effect of implementing Carter's recommendations on the economic growth in Canada. In any event, perhaps the minister can be persuaded to show those reports prepared by members of his department to hon. members of the house.

It will be remembered that the minister of finance of that time invited different corporations to present briefs, setting September 30 as the deadline. Amazingly, 100 briefs came from industry alone. I have it on good authority that International Nickel spent $250,000 preparing their brief to fight the Carter report. When a hundred corporations attempt to justify their positions, one cannot but become suspicious. As my hon. friend says it is a clear attempt to preserve socialism for the rich.

• (4:40 p.m.)

In October, 1967, the minister promised a white paper containing tax proposals as close to the end of the year as possible—he did not indicate which year. This white paper has still to be produced. Some time in 1968 it was decided to drop this idea of a white paper. Now, the present Minister of Finance tells us we may see these long-awaited tax proposals in the early part of 1969, and that some of them may be implemented by the end of 1969. From the time this report was tabled by the government, back in February, 1967, some 20 months have now passed. One might ask: how much has this cost Canadians? One economist has calculated that this failure on the part of the government to act promptly on the proposals has cost Canadians a thousand dollars a minute, or roughly half a billion dollars a year. If this is so, there is certainly a strong case for deciding not to implement this proposed 2 per cent social improvement tax which the minister so proudly announced on budget night. If Canadians are losing all this money through failure to implement the Carter recommendations, it is high time he took some action to do so.

As you know, Mr. Chairman, Mr. Carter made particular studies of certain areas of taxation. On the question of oil companies he told us they got one third of their profits tax-free on the ground that their assets, their underground assets, were being depleted. Profits from new mines are tax-free for the first three years—most oil well and gas costs are tax deductible. Mr. Carter said this cost the treasury $150 million a year in lost revenues. Some of the potash companies in the west have attempted to take advantage of this tax holiday. I am told they work for a while on exploration or development, and when the end of the three-year period is approaching they form new companies and attempt to get another three-year tax holiday. I should like to hear a statement from the minister with regard to the actions of some of these companies, most of which are attempting, not to evade the law but to avoid it.

In the year 1964, Mr. Carter said, eight big companies three of which were oil companies, accounted for 85 per cent of all depletion allowances in Canada. Because of heavy foreign ownership of our resources, United States residents received 80 per cent of the oil and mining benefits. Mr. Carter also told us that small businessmen have an easy time with the tax man because they pay only 21 per cent on the first $35,000 of their profits.

On the face of it, the government is soaking the big-income boys because the tax rate on incomes above $400,000 is 80 per cent. But, as the Carter report makes clear, tax rates as high as this are in practice only on the statute books; they are readily avoided by most of the few people who receive incomes of this size. You will recall, Mr. Chairman, the tearful plea made by the Prime Minister for those who are paying 80 per cent. He told us down in Halifax that he would have to take care of these people because otherwise we might see a flight of these talented men to other countries. He was not so much worried about the difficulties the little people might find in paying this 2 per cent social welfare tax, but he was concerned about these 80 per cent boys. I think we ought to draw Mr. Carter's words, that such a rate exists "only on the statute books", not only to the Minister of Finance but also to the Prime Minister.

Present practice under taxation law is to place the emphasis on the word "avoidance" rather than on the word "evasion". If ever avoidance is being exercised by corporations, it is within our Canadian tax structure. I happen to be a lawyer, and I might add that lawyers seem to do quite well in persuading big corporations to take advantage of this angle of avoidance.

Talking about people with incomes of $400,000 and more a year, this is one of the sleek methods they use to avoid taxation. They acquire farms and attempt to say they are in the farming business. Then they apply all the expenses of the farm operation—which in many cases runs at a loss—against income. After a few years have gone by, they have acquired a large tract of land, and taking advantage of urban expansion are able to dispose of it for a large capital gain. The minister in charge of housing is here, and he knows that this is the case. They have it both going and coming, as my hon. friend says.

I should like to spend a few minutes, now, considering the question of a capital gains tax. Yesterday I noticed that according to the *Daily Star* the premier of Ontario is studying the idea of a land profit tax. The article in the *Star* reads as follows:

> The Ontario government is considering a capital gains tax on land speculation, Premier John Robarts told the legislature yesterday.
>
> The tax would bolster revenue in the face of a government austerity program and help ease the high cost of housing in Ontario cities.
>
> Robarts said the treasury board is currently examining all areas of taxation "and this is one of them."

If this is one of the areas which the government of Ontario is studying, it is high time not only the Minister of Finance but the minister in charge of housing paid attention. If we permit the provincial governments to step in with regard to a capital gains tax the hon. gentleman will have a difficult time with his task force on housing, should it bring forward reasonable recommendations to solve the housing problem. It is one of the real shortcomings of Canadian tax history that we should have no capital gains tax. Such a tax exists in the United States and in Britain, yet in Canada we do nothing about those who speculate in land or who devote themselves to the stock market and make huge profits with which they escape tax free.

• (4:50 p.m.)

When I heard the speech of the hon. member for Scarborough East who, by the way, is an economist and was one of the whiz kids who advised former minister of finance Walter Gordon when he introduced that great budget of his a few years ago, I thought our present Minister of Finance would pay some attention to him. In the budget debate the hon. member strongly urged that we have a capital gains tax. I suggest that the minister read his speech and learn from it. These are some of the aspects upon which I would like the minister to comment. He has about seven minutes before this debate adjourns, and I have raised seven matters with him. I am sure he can touch on at least some of them.

Mr. Stanfield: Mr. Chairman, I would like to ask the minister when we are going to get a draft bill?

Mr. Benson: Mr. Chairman, I shall take that under advisement. I cannot make a promise without first talking to my officials.

Mr. Stanfield: I just want to emphasize again that I do not see any real excuse for the state of uncertainty in which people are being left.

The Deputy Chairman: Shall vote 1 carry?

Some hon. Members: No.

Mr. Harding: Mr. Chairman, I was hoping that the minister would answer some of the questions put to him by the previous speakers. We have only a few minutes left before the hour is up. Sometimes these questions drag on and we do not get the estimates back again for several more days. In that way it is a little awkward to keep track of them.

Would the minister care to answer the questions that hon. members put to him?

Mr. Benson: Mr. Chairman, perhaps the hon. member was not here put I answered the questions put forward by many speakers this afternoon. I believe the last speaker is the only one whose questions I have not answered, and they were of such a general nature that they are difficult to answer. First of all he asked if I am in favour of a floating exchange rate. My answer is no. To me it is rather unusual to see this new alliance between the N.D.P. and the president of the Royal Bank.

The other questions raised were very general ones about what we are going to do in connection with the Carter report and other submissions that the government has had on taxation. Of course I am not going to indicate what we intend to do until I produce the draft bill which will be studied by all members of the house.

Mr. Harding: Well, Mr. Chairman, I do not think we should let this item pass at this time. I wish to raise one or two things before the hour of five o'clock. In the last few days I have been going over some of the old *Hansards*. We learn a lot from history, but it is said that quite frequently those of us who live at the present time do not take too much cognizance of what has gone before.

I went back to 1962 and read some of the statements made by the Minister of Finance during the budget debate of that year when another party was in power.

I must tell him I thoroughly enjoyed reading the words of wisdom which he addressed to the House of Commons on a number of occasions, and the thought occurred to me that surely all the good ideas he had in those days cannot have gone by the board since he assumed the august position of finance minister in the federal government.

I am going to relate his old ideas to just one phase of one operation in my home province of British Columbia, and I am going to refer to the big coal operation around Vernon, the Kaiser coal operation. The minister is well aware of what has happened. The former company, Crowsnest Industries, has sold out to Kaiser Steel which has bought a large area of coal from that company. Kaiser have moved in and they are going to set up a strip mining operation. As I recall the minister's remarks he was not too happy about big, foreign owned companies moving into areas such as this in the field of natural resources

and getting special tax concessions—for example, a three year exemption period on mining.

I ask the minister, is your department going to allow the Kaiser corporation a three year tax exemption period in this particular operation? Here is a loophole that could and should be plugged by the federal government. All over this country of ours we have big corporations that get these tax concessions. I can give several good examples. They get an initial tax concession. Then they set up a new company, move over a short distance and get another tax concession for another three year period. They are robbing the public of Canada of hundreds of millions of dollars that rightfully should be going into the tax coffers of the federal government.

This was the line which the minister took several years ago in connection with oil and gas reserves in the Dominion of Canada. He pointed out that we were forced to import 50 per cent or more of our oil requirements, and emphasized what a drain this was on the financial resources of the country. Through you, Mr. Chairman, I ask him what are you going to do about it now? You are sitting in the seat where you can do a job. What recommendations are you going to make to the cabinet and to the House of Commons? Are you, Mr. Minister of Finance, going to suggest that we alter this approach? If so, it is up to you to lay before the house within the next two or three months some changes which will bring your old ideas to fruition.

The Deputy Chairman: Order.

Mr. Bell: Mr. Chairman, we would be glad to pass this first item and move along. So far as we are concerned we have had a good afternoon. The minister has given us some satisfactory answers.

The Deputy Chairman: Is the committee agreeable?

Some hon. Members: No.

The Deputy Chairman: It being five o'clock it is my duty to rise, report progress, and request leave to sit again at the next sitting of the house.

Progress reported.

HEALTH AND WELFARE

TOBACCO—REFERENCE OF BILLS TO STANDING COMMITTEE

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I wonder if I might have unanimous consent, as leader of the house, to revert to motions, to put some items concerning the tobacco business into the committee on health, welfare and social affairs?

The Acting Speaker (Mr. Béchard): Does the house agree?

Some hon. Members: Agreed.

Mr. Macdonald (Rosedale): Mr. Speaker, there have been discussions in the four corners of the house on the question of the potential injury to health arising from the use of tobacco; and I believe there is general consent, and more particularly consent on the part of hon. members who have bills standing on the order paper with respect to tobacco, that these bills should not be proceeded with, but that the subject matter of them should be referred to the standing committee on health, welfare and social affairs.

• (5:00 p.m.)

I should like to move, therefore, seconded by Mr. Pepin—

That the order for second reading of bills C-39, C-45, C-53, C-134 and C-137 be discharged and that the subject matter of the said bills be referred to the standing committee on health, welfare and social affairs.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, speaking for the bills which emanate from this part of the house we welcome this move and hope that this will facilitate discussion of this problem.

The Acting Speaker (Mr. Béchard): Is it the pleasure of the house to adopt said motion?

Motion agreed to.

The Acting Speaker (Mr. Béchard): It being five o'clock the house will now proceed to the consideration of private members business as listed on today's order paper, namely public bills and private bills.

RAINMAKING EQUIPMENT

PROVISION FOR LICENSING AND REGULATION

Mr. Arnold Peters (Timiskaming) moved the second reading of Bill No. C-11, to govern, licence and regulate the operation of rainmaking equipment in Canada.

He said: Mr. Speaker, had I known the date when this bill would be called we probably could have tied it in with the Grey Cup game and the rain situation in Toronto. Probably a number of people would have been

very interested in supporting this bill. That of course is no joke, because on a number of occasions the company operating out of Montreal has been asked to project the weather on a longer term basis to decide whether there would be snow, rain, or what the weather would be, when Grey Cup game time came around, especially a crucial game.

I, and I am sure other members, have been interested in two or three things connected with a bill of this nature. One is the attitude of people to a bill called a bill to regulate rainmaking. I am sure many people still think of the Indian dances that are being performed in Arizona and sold to tourists as representing the former method of rainmaking.

An hon. Member: And in the west.

Mr. Peters: Yes. They may have one in the west. It might be interesting for the hon. member, who comes from Saskatchewan, to know that his friends, the farmers in Alberta, over a period have voted, in a number of districts, that a certain amount of money be paid, through taxes to rainmakers to make rain in that area, and more important to end hail in that area. While this also may be considered to have dubious value, those farmers have renewed this proposition for many years now in the province of Alberta and are very close to having the provincial government make a decision in respect of everybody paying taxes so that hail does not occur in that area.

The whole matter of rainmaking involves a very large problem of weather modification and what the international and national relationship to this should be. It is quite clear, in a broad sense, that in the foreseeable future we will be able not only to plot weather fronts of various kinds throughout the world by satellite control but that we will also be able, through several methods that are being developed, to prevent what would be the disadvantages of those storm fronts developing. This will happen where expenditures are made to control hurricanes, fog, hail, and I suggest probably to control or modify the normal rainfall in a given area. All these things are being undertaken. If we in Canada think this is a joke, then we should look at the situation in the United States. In the year 1967 in the United States $7 million was spent on this type of weather control. It is expected by 1970 the expenditure will be $150 million. That is equivalent to the total amount spent by the Canadian government a few years ago on its total works on behalf of all the people in Canada.

I suggest it is necessary that we pay some attention to the matter of weather control. Frankly I am interested in a very small sphere of weather control; that is, the ability of people by certain processes to make rain fall in a given area in greater amounts than would normally be the case if the weather were uncontrolled. I suggest that in Ontario we have engaged in this for some time. We have seen the Ontario department of agriculture contribute a quarter of a million dollars to make rain in the Renfrew area, when that area experienced a severe drought. You will also be aware, Mr. Speaker, that in the same area money was spent by the Ontario Department of Agriculture to compensate the people for an over-abundance of rain in that fall period. You may also believe that there is something to rainmaking by noise, because you will remember a few years ago while the noise was being made in parliament it started to rain in the Renfrew area. That foreshadowed the end of that drought and preceded the bringing in of generators by about three days.

There may be many methods by which this can be done. I am not particular how we do it. However, I believe it would be a shame if members of parliament do not take some action in this matter, because it would seem to me that we must be able to protect the people who now are the victims of modification of weather, and really have no control over it. If someone decided to dust the apple trees in his yard with a heavy spray, and this covered the yard next door, then the person next door is protected because there is legislation which provides that something can be done about this. He may have his grass replaced or his flowers replaced because of the over-kill by the spraying of the person two lots down the street. So long as the Canadian parliament takes the attitude that this is a big joke nothing will happen.

For a change the Minister of Transport (Mr. Hellyer) is here. We are glad to see him in the house. This does concern the Minister of Transport because I believe it will have to be his responsibility. An agency is hired by his department to assist in long range weather forecasting. His department has a responsibility for this forecasting. It is my opinion that his department will also have to be involved in the matter of weather modification.

I do not suggest that the department of lands and forests in northern Ontario should not be able to hire silver oxide machines to bring about water precipitation in a given area. What I do suggest, however, is that if this affects some people living in that area they should have recourse through law for the recovery of damages suffered by them in that regard.

• (5:10 p.m.)

Mr. Francis: Mr. Speaker, would the hon. member permit a question?

Mr. Peters: Certainly.

Mr. Francis: I have listened to the hon. member's contention about the rights of people to recourse as a result of the adverse effects of provincial activity in rainmaking. How can this be done under the type of provisions he is putting before the house? Is there not a grave constitutional problem involved here? Does his own legislation not exempt provincial activity.

Mr. Peters: Yes, there is a major problem here. In the United States they have done some work in this regard and have come across similar problems. They have listed a number of basic questions regarding control in this respect. Some of them are:

> How should the regulatory function be performed? Can an agency with mission interests in weather modification serve also as a national licensing and regulatory authority? Is a new agency necessary for this purpose? Can the co-ordinating function and the regulatory function be combined in a single agency? Is it premature to undertake federal licensing and regulation?

The United States has passed a number of laws in respect of weather modification as a result of their investigations in this matter. I understand the Minister of Transport (Mr. Hellyer) has also done some research in this regard. Weather control really involves weather projections. Weather conditions are projected not only in respect of Newfoundland but in respect of British Columbia, and these projections are made simultaneously. These are made without any provincial control or provincial information. They are also based on international information.

I am sure everyone is impressed when watching television to see that satellites thousands of miles above the earth project back pictures of weather formation. We no longer see lines drawn to indicate weather fronts; we now see the actual fronts. This is done not only on a national basis, but on an international basis; so one should not worry too much about the provincial implications. Weather modification is not confined to provincial jurisdictions. Anything that crosses provincial boundaries becomes national in nature. Therefore I believe we should not hesitate to make laws in this field simply because provinces have a role to play.

A number of laws have already been passed in the United States in this regard, but one problem they have experienced relates to the fact that the laws in one state often conflict with those in another. In any event, they have been able to establish a number of facts, one of which is that rainmaking must naturally come under governmental regulations. This authority goes on to state that weather is national in scope rather than a state proposition. In this regard a number of cases have been heard in both district or state and federal courts. This is an extensive field, and I believe our federal government must have some control.

The hon. member's question has more relationship to the making of rain than to the powers or authorities I recommend. I refer only to control and regulation by licence. There are only seven or eight companies of this kind operating in this field. Surely we could regulate them as to the weather modifications they may carry out. In this way we could require these companies to keep a record of the results of their attempts.

The main example we have in this country is in respect of the firm Weather Engineering which is operated by Paul Denison and Bernard Power of Montreal. They have had great success with the silver iodide generators. These are small coke operated ovens in which you place crystals of silver iodide. The temperature is brought up to about 1,200 or 1,400 degrees. The iodide cystals are evaporated and go up into the clouds by convection. When the clouds are supercooled, usually about 10 degrees fahrenheit, the iodide crystals create a molecular bond which attracts the moisture in the air. This produces precipitation in the form of rain or snow. If this is in a cold area snow will fall, which eventually can turn to rain. Whether or not these efforts have been successful can be judged by what has happened.

Let me refer to what happened in 1956. There was some talk about using this system to control forest fires in northern Ontario. The article to which I refer states:

> In Quebec the clouds held more moisture. In mid-July, for example, a forest fire out of control along a ten mile front in the wild North Shore

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Paper Co. bushland, southwest of Seven Islands, was rapidly sweeping toward the little St. Lawrence settlement of Shelter Bay.

Denison and Power flew in 23 of their silver iodide generators. On the morning of July 22 a few weak storm clouds drifted over the blaze but produced no rainfall. At noon Denison ordered his fireboxes lit. By five o'clock 1.3 inches of rain had fallen on the blazing timber—enough to dampen down the smoke and enable forest rangers to close in on the flames. The showers quenched the fire just in time to save Shelter Bay. The community was already partly evacuated and flames had reached some of its outlying buildings. Said H. A. Sewell, Quebec North Shore's general manager of woodlands, "We have seen enough of the work of Power and Denison to know that we want more."

On October 7, 12,000 crackling dry square miles of Abitibi Power and Paper Co. forest from Lake Abitibi west to Kapuskasing, Ont., were drenched with 2.8 inches of rain a few hours after Denison's generators went into action. Some small fires fizzled out and, for the first time in months, rivers rose to normal levels, hydro plants began operating at full capacity and reservoirs started to fill up, giving hope of adequate water storage before freeze-up.

Denison called George Arnold, chief chemist of Spruce Falls Power and Paper Co., at Kapuskasing one Sunday in September, advising him to alert company forest rangers operating Weather Engineering silver iodide furnaces. Rain-heavy clouds were passing over Spruce Falls forests the next morning.

We must remember that he was in Montreal, a thousand miles away from Kapuskasing, yet he said:

"Light your generators at seven o'clock and keep them burning until eleven," he instructed. It started to rain on Monday morning at a quarter to eight. The shower stopped abruptly at half past eleven. Bushlands surrounding the Spruce Falls property didn't get the downpour. The government weather office had forecast no rain for the region until Wednesday.

I am convinced that you can make rain. We have had some very bad seasons in northern Ontario when we had no forest fires at all, yet the department of lands and forests were operating these machines.

• (5:20 p.m.)

The same was true when Ontario Hydro decided to fill their reservoirs. It may be that we want to make a rainshed out of the whole of northern Ontario, but if we do, those people who are already there in the field of tourism and agriculture, and in fact those people who live there, should be able to have a say in the matter and to start litigation in the courts if they consider the effects to be detrimental to them.

I suggest that this is a responsibility of the federal government which it should exercise.

[Mr. Peters.]

If the members of this house wish to pursue this matter, they could vote to have the bill referred to a committee. I suggest it should be studied by officials of the Department of Transport, which has a very large meteorological service, of which we should be proud. This weather institute, which operates in Montreal, has a direct teletype communication with the Department of Transport. It plots the weather in its Montreal offices and then sells the weather forecasts back to agencies, such as Air Canada and others, in a completely different form. The two specialists at the institute have been trained by the Canadian government and are familiar with its methods. They are able to forecast from maps well ahead of time the type of storm fronts that are likely to develop under given circumstances and from given areas.

For instance, if you, Mr. Speaker, wanted to select a nice day for your daughter's wedding because you wanted to hold it in the garden, you could consult these experts who would be able to provide you with the information, so that you could select a day of sunshine and suitable temperature for the event. For businessmen these experts can provide a correct forecast with reasonable certainty. They are able to say whether or not the use of dry ice or silver iodide which is being discharged by artillery will be successful in producing rain.

We in this house will be failing in our duty toward people who live in areas where rain can be produced, or toward government agencies which need to control weather, if we do not soon take a look at the whole matter of weather modification, and provide regulations and licences necessary for these people to operate in this field.

My purpose in producing this bill is to ensure that such agencies as the Department of Agriculture, Ontario and Quebec hydro, private pulp and paper mills and other agencies interested in this field do not abuse a new technology which, as is not realized by most people, is involved in the modification of weather, an undertaking in which all civilized countries are now engaged, in one way or another.

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I wish to take the floor on the bill now under consideration. We had planned to introduce such a bill but I think the hon. member for Timiskaming (Mr. Peters) read

our minds, and I congratulate him for having introduced that bill.

It will first of all have the advantage of finally convincing everyone that artificial rain exists. In fact, many people still do not believe it, but I can say that our regions had a taste of it, so to speak, because we had to put up with uncontrolled artificial rain during three summers and that is why I support that bill.

It is not that I am against artificial rain, Mr. Speaker; not at all. But I am in favour of artificial rain controlled by legislation, so that the government will know to whom permits are delivered, but most of all the permits will state exactly the regions where artificial rain can be made, as well as when it can be made, to prevent what happened in our regions.

Rain is being made throughout the summer without regard to planting or harvesting. That is the reason why our areas have been flooded during three consecutive summers by this artificial rain.

I remember five or six years ago when we raised this question of rainmaking in the house, we had started a roar of laughter in the house. Now I understand why hon. members felt that was rather funny. In fact, the government was aware of rainmaking experiments, but they considered them a military secret. I do not think that they should be so considered, because if rainmaking is interesting to big companies—as it has been for some years—it is even more interesting to farmers.

The matter also concerns the population for reasons of public health. Excesses should not occur again as in the past years, when Operation Umbrella was launched in the Saguenay-Lake St. John area. Everybody was crying for help, and I think it influenced very much the reports of doctors who appeared as witnesses and stated that this could affect the health of the population.

Legislation should be passed to grant permits to a company, but that company should not be solely in the service of large corporations. In my opinion, the legislation should provide that the companies would come under the government control, because if we let them act as they please, the abuses will continue.

On the one hand, we hear the opinion of the farmers or of the people. The population of a given region knows and realizes that the government may at certain times allow companies to make artificial rain in order to raise the water level of hydraulic reservoirs, but that it will see to it, at the same time, that this rain does not drown the crops planted by the farmers or spoil the grain or the hay harvest.

Mr. Speaker, I wish with all my hearts that this legislation may be refered to a committee for consideration, so that the government might, if necessary, introduce legislation to that effect for the situation is urgent. I have proof of that here, for I have a whole file on this question of artificial rain. It would take me nearly a week to read all the evidence in favour of or against artificial rain, and all of it proves to the Canadian people and to all the hon. members that artificial rain has been in existence for many years.

At first, ground rainmaking machines were used. Today, however, planes are used to seed clouds. In our areas, ground machines are hardly used any more, because it is much easier to use airplanes. That is why the matter today concerns the federal government far more than provincial governments, because it is a question of air pollution. When ground rain-making machines were used, the matter concerned the provincial governments. I always wondered why the government has been hiding that fact from the people for the past ten years. Why can the government not reveal when companies will be allowed to make rain? If one region is not suited for such a program the people will be in a position to advise the government as to its ill effects.

Mr. Speaker, I was anxious to have this bill discussed in order to bring in the final proof. This latest testimony we received from the C.F.U. on August 30, 1968; as you see, it is recent enough. I will not have the time to read this letter entirely as I would not want to have this bill killed today so that it may be referred to a committee. I will read a few excerpts.

Dear Sir, as a result of the decisions taken during our annual convention concerning the effects of bad weather upon our members, as well as upon the whole population of the Saguenay-Lac St-Jean district, and considering the possibility that artificial rainmaking may be the cause, the *Fédération de l'UCC du Saguenay* is requesting your assistance to set matters straight in the minds of our population and to find out whether artificial rainmaking is being practised at the present time. If it were practised, please help us to get rid, once and for all, of this disastrous system which caused us untold hardships some years ago.

Rainmaking Equipment

• (5:30 p.m.)

I feel that the C.F.U. might have laid it a bit thick, as such an organization cannot really be 100 percent against all experiments in cloud seeding. It probably hopes for restrictions in a particular region at a given time, as I said previously.

Our farmers and our population as a whole could not endure the consequences of artificial rainmaking; more over, uncertainty about this condition is unbearable.

In the past, ground rainmaking machines have been used in our province and in our region.

A great number of those machines were used in the northern part of the province of Quebec. There were some in our region, in St-Felix d'Otis, Shipshaw, Falardeau, Chûte-aux-Galets, etc.

All the places where ground rainmaking machines were used are listed. I happen to have a map indicating the site of all those machines.

The services were engaged by the Association Protectrice des Forêts Laurentiennes Ltée, as well as by hydro-electric companies, including Hydro-Quebec after the nationalisation of power production.

The Department of Land and Forests of the province also contributed financially to that operation, through the Association Protectrice des Forêts Laurentiennes.

Following pressures by the UCC, the news media and Operation Umbrella, the provincial government assured the UCC, through the Minister of Natural Resources, that Hydro Quebec would stop using the services of the Weather Engineering Limited (Meteorological Engineering) and it asked the Gatineau Power as well as the Association de protection des Forêts laurentiennes, the other two sponsors at that time, not to resume cloud seeding operations. Moreover, the minister undertook to supply the C.F.U. with the list of the places where the seeding machines were located to afford better supervision.

And it is on that occasion that we secured a map showing the exact location of the machines.

Since then, the C.F.U has kept in touch with the senior officials of the Department of Natural Resources in order to maintain pressure to prevent cloud seeding. In addition, each time serious information was received, it sent its technicians to check if there was anything to it.

However, it is impossible for a union group to survey the Quebec territory to find rainmaking equipment, when one knows that this equipment is very small and can easily be disguised.

With new developments, the federal government got involved.

Now, especially during the last five or six years, rainmaking is carried out by airplanes and this is precisely what C.F.U. is referring to.

On July 28, 1967, the federal government, through the Air Transport Board, granted Royalair Ltd. an air survey licence (rainmaking).

[Mr. Gauthier.]

Nobody dared to say that that was a rainmaking licence; they said it was for air survey, but it was, in fact for rainmaking.

In its argument to the board, Royalair Ltd. said that it wanted to operate in conjunction with Weather Engineering. We also had confirmation, during the public hearing of the Air Transport Board that Ontario Hydro, Abitibi Corporation and Spruce Falls Paper Company resorted to artificial seeding of clouds in order to increase rainfall. We also had confirmation, on that occasion, that Newfoundland was also a victim of that cloud seeding by the Newfoundland Air Transport Limited Company.

Therefore, to that method of cloud seeding from the ground, is added that of seeding by aircraft.

Faced with this reality, the annual convention of the Saguenay C.F.U., which was held on August 31, 1967, officially and publicly reaffirmed its position as follows:

(1) That the provincial and federal governments, within their respective jurisdiction, should make the necessary arrangements so as to maintain the ban on all the methods which might increase natural rainfall in our area and that the state should exercise a strict control in that respect.

(2) That the state should undertake a serious and complete study of the influence on our climate of the numerous and large underground streams artificially created by hydroelectric dams and the consequences these may have on farming, so as to take them into account in the planning of our agriculture.

The position of the C.F.U. Federation is just as unequivocal. In fact, the resolution passed at the last general convention of the C.F.U. held in Quebec City in October 1967, read as follows:

The general convention of the C.F.U. recommends to the federal and provincial governments to revoke immediately all licences issued for cloud seeding.

I think the C.F.U. is suggesting that we should ask some questions so as to get further information on orders of the day. That is what I did. I am waiting for answers to my questions. All this should bring the government to pass legislation. We must have some legislation and we can no longer leave this matter up to some companies. Mr. Speaker, it is regrettable to say this, but during the past years, I even read articles written by the authorities of certain companies defending these seedings. They stated that the interests of companies and industries should come before the interest of the population.

For my part, I say that this is absolutely false. We are here in the first place to work for the population without neglecting the industrial interests and especially research, but it is possible I think to associate both, to protect the population and carry on such research, because as the hon. member for

Timiskaming stated earlier, this is scientific progress which could be quite valuable in case of a disaster and could even improve the production of our industries. We should not stop everything by saying: We do not want any more seeding. No. Once again I insist that we merely want that seeding to be governed by a specific act which will take into account all the interested parties. We plead the case of the people, but company officials, just like farmers, also have the right to plead their own case.

This bill is a start and if perchance it is not referred to a committee this evening, I would urge the government to introduce similar legislation right after the Christmas recess. Mr. Speaker, the house may rest assured that we will support it, thereby expressing the will of all those who, in the past, have suffered from those artificial rains because they were not controlled. Cloud seeding without control is like anything else which may be good in itself but becomes evil when there is any excess.

I therefore hope, Mr. Speaker, in order not to prolong the debate any more—I would not want to be accused of having killed the bill—that the bill will be referred to a committee for study and that legislation will be introduced for the control of cloud seeding as soon as possible.

• (5:40 p.m.)

[*English*]

Mr. Stan Schumacher (Palliser): Mr. Speaker, my hon. friend from Timiskaming (Mr. Peters) says he believes there are effective rainmaking machines and the bill appears to be based upon that premise. This is a subject that has long vexed the south-central area of Alberta, that I have the honour to represent. I noticed the hon. member for Ottawa West (Mr. Francis) intervened in the debate, I suppose because of his connection with the same area. Everyone in that area is extremely interested in this question of weather modification. Despite long studies and a great deal of money that is being spent in a study of the subject by individuals, private groups, municipalities, provincial governments and federal government agencies, it has certainly not become clear to the population of Alberta or to the government of that province that there are such things as effective rainmaking machines. In fact, the large groups of population in that area are divided into those who belong to the converted and those who belong to the unconverted in regard to weather modification.

Every year, Mr. Speaker, we find municipalities subjected to plebiscites to determine whether or not they should pass a bylaw to enable them to employ the services of a weather modification company. I might say that the most prominent company in this regard is the Irving P. Creek Company based in California, who have operated their fans in Alberta.

Some people have adopted weather modification almost as a religion. Others are equally as well convinced that the theory of it is inaccurate and that it is ineffective. As I was saying, Mr. Speaker, there is an annual plebiscite conducted at great expense in the municipalities involved. The subject creates bad feeling between neighbours, and we cannot seem to come to any final conclusion as to whether or not the provincial government, at least, should recognize the procedure as an effective one.

It is my feeling that instead of passing a bill such as this, which does not seem to promote the kind of inquiry required into this general field—as I have said, the situation is not fully clarified as yet—the government should be devoting its activities to promoting more research in this area. In this respect I feel that the bill is premature.

I know my hon. friends who sit in the same part of the house as the sponsor of the bill are very prone to controlling things; it seems that that is their expertise. But in this case they will not even allow the goose to be born, before wanting to control what might be the goose that lays the golden egg.

If there is indeed some method by which rain can be increased in the prairie provinces, then the output of the area could be doubled or tripled. Large areas of eastern Alberta, and I suppose western Saskatchewan, are not producing the crops they could produce if they received more rain.

The explanatory note to the bill says the purpose of the bill is to provide for compensation where damage is deemed to result from the use of rainmaking machines. I have looked through the bill but I cannot see this provision. I find no clause in it which lays responsibility for damage caused. It does not say that the government or that the user of the machine will be responsible for such damage.

Mr. Peters: The bill does provide for licensing.

Mr. Schumacher: I do not find that provision. Perhaps my copy of the bill does not

contain that clause. As far as I can see the bill provides for the licensing of the owners of equipment; but it does not say how the owners of the equipment should use the equipment. In any event, I would suggest that this provision does not have to be in the bill, because if a person does cause damage through the use of some piece of equipment that he owns, and causes injury to a person, the ordinary law of negligence would apply and the responsibility would be upon the person at fault.

In my view, Mr. Speaker, as I say, the bill is premature. There is room for research in this field. The Alberta hail study group, which I believe is associated with the Alberta research council, and to which the dominion government contributes funds, has not made the statement that there is such a thing as an effctive rain increasing procedure. Until such a thing happens we are dealing with something, really, that is not here. I suggest we have no effective machines and we cannot control them. I think the government would be better advised to undertake research into this subject.

• (5:50 p.m.)

If we could produce such machines the agricultural output of this nation would be greatly increased. Frankly, everyone in my area would be happy to settle this question, since feuds are developing over it.

I do not think the bill should be referred to committee; I think it is premature, and this is the wrong way to attack the problem. That there is a problem I agree, but the answer to it lies in research, and not in some sort of legislation which seeks to control machines which have not proven effective.

Mr. Ralph Stewart (Cochrane): Mr. Speaker, this is one of those rare occasions when I find myself agreeing with the hon. member for Timiskaming (Mr. Peters). I told him today I wanted to speak on the subject because I think there ought to be some kind of control over rainmaking equipment. A few years ago I would have put rainmaking machines into the category occupied by voodoo and witch doctors. After spending the last summer in northern Ontario I have changed my mind, because we were rained out in northern Ontario.

I understand that the entire subject is of large scope and has been studied by the meteorological branch. I know that complicated policy implications are involved, and that rainmaking machines are still experimental.

[Mr. Schumacher.]

Frankly, I cannot understand all the fuss about constitutional problems that was raised by the hon. member for Ottawa West (Mr. Francis). These machines came into use without anyone raising constitutional problems. It seems, though, that when it is a question of buckets of water falling on the heads of my people in northern Ontario we have to be involved in constitutional matters to stop it.

The Northeastern Ontario Municipal Association met at the end of the summer and sent me a letter, which I assume other hon. members received also. The association wants the senior or federal government to pass legislation controlling weather modification apparatus. The association represents 17 municipalities in northeastern Ontario and says this in its letter:

> As you are aware, the heavy rainfall which occurred in this area, leaves a lot to be desired, and has caused damages to our tourist and wood industries, and farmers.

The attached figures compare rainfalls for the summer months of 1967 and 1968. In June, 1967, there were 3.37 inches of rainfall, for this year, 1968, the rainfall was almost double, at 6.09 inches. In July 1967, average rainfall was 2.8 inches and in July of this year it was 8.97 inches. I think this indicates conclusively that rainmaking machines are effective.

The explanatory note of the bill has this to say, in part:

> It appears that control licensing and regulations must be adapted to protect the public and make possible the payment of compensation where damage is deemed to result from such use.

I do not think you could apply such legislation, since rainmaking equipment is not like a switch. It will not rain when you press the switch, and stop raining when you take your finger off the switch. Therefore it will not be possible to make compensation. One would have to go to court and prove that the damage caused resulted directly from rain brought on by rainmaking machines, and I do not see how that would be possible.

I should prefer to see a bill that seeks only to control these machines, so that not just any company, or any Tom, Dick or Harry could try to make rain. What would happen, for example, if one of these machines went out of control? Supposing someone seeded clouds and it began to rain uncontrollably? What if our weather were affected over a long term? All that ought to be considered. I think that studies ought to be undertaken in this field.

However, I hope those studies are not undertaken in northern Ontario. We hear about damp wheat and grain, but no one worries about damp wood in northern Ontario. We have been hearing about problems with grain on the prairies for years, but no one says anything about the wood industry in northern Ontario, which is the largest industry in Canada. Perhaps the members from northern Ontario should start screaming; perhaps then the old adage that the squeaking wheel gets the grease would hold true in our case. I hope any tests are conducted in arid parts of the country.

The Acting Speaker (Mr. Béchard): Order, please. The hour for the consideration of private members business has now expired. The time being six o'clock the house stands adjourned until 2.30 p.m. Monday next.

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

HOUSE OF COMMONS

Monday, December 2, 1968

The house met at 2.30 p.m.

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the house that a message has been received from the Senate informing this house that the Senate has passed Bill S-3, an act to amend the Canada Evidence Act, to which the concurrence of this house is desired.

HON. M. J. COLDWELL

FELICITATIONS ON EIGHTIETH BIRTHDAY ANNIVERSARY

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, because the gentleman to whom I should like to make a moment's reference is a distinguished member of the Privy Council, I am sure you will grant me this moment of time. The Hon. M. J. Coldwell, former leader of the C.C.F. party and a distinguished member of this House of Commons for 23 years, is today celebrating his eightieth birthday.

Some hon. Members: Hear, hear.

Mr. Knowles (Winnipeg North Centre): I am sure I speak for all who knew him when I say there never was a finer man to sit in this House of Commons. We who worked with him found him a tremendous leader, and I think it is fair to say that both throughout the house and throughout the country he was and is widely respected. During his years in this house he advanced the cause of our movement. I believe it can be said as well that he added to the good name of parliament. I am sure I speak for all members when we wish Mr. Coldwell "Many happy returns".

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I should like to add a word on behalf of the government, and to say I am in complete agreement with what the hon. member has just said. We all have a very high regard for Mr. Coldwell. Long before I joined a political party I had heard him often at political meetings. My predecessor, Right Hon. Mr. Pearson, also had great admiration for him, and I believe it was he who named Mr. Coldwell to the Privy Council.

This shows, Mr. Speaker, that on this side of the house we are always ready to recognize great politicians with great ideas. Mr. Coldwell has rendered some very important services, not only to parliament but recently to this government as a member of the royal commission on security. I do want to add congratulations from the government side to Hon. Mr. Coldwell on his birthday.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I join with the hon. member for Winnipeg North Centre (Mr. Knowles) and the right hon. Prime Minister (Mr. Trudeau) in the words of tribute paid to Hon. M. J. Coldwell. He comes from a province that has given many outstanding parliamentarians to this country.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Indeed, Mr. Speaker, the applause indicates that this is well known by members in all parts of the house. I am not here for the purpose of advertising Prince Albert, but Prince Albert is the only constituency in Canada that has had three prime ministers represent it.

• (2:40 p.m.)

That is indicative of the state of affairs in the province of Saskatchewan.

I have known Mr. Coldwell for many years, and sat with him in the house from 1940 to 1957. He was a fine parliamentarian, always courteous and always effective. I know I speak for all when I express the hope that this momentous landmark will be one of many to come, and that he will be spared for many years to make his contribution to Canada.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, er, following the very pertinent remarks made by the hon. member for Winnipeg North Centre (Mr. Knowles), the right hon. Prime

Minister (Mr. Trudeau) and the right hon. member for Prince Albert (Mr. Diefenbaker), we the members of the Ralliement Créditiste are very happy to join in offering our best wishes to hon. Mr. Coldwell. Although I am too young to have known him myself, I want to say that his reputation goes beyond the artificial barriers which age can create between older and younger people. We join the previous speakers in expressing our congratulations and our appreciation of hon. Mr. Coldwell's indisputable merits.

[*English*]

Mr. Speaker: It will be the duty of the Chair and my personal pleasure to convey the congratulations and good wishes of the house to Mr. Coldwell.

DOMINION-PROVINCIAL RELATIONS

STATEMENT RESPECTING OFFSHORE MINERAL RIGHTS

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, a few days ago I announced in the house that the government would soon be able to make an important statement with respect to offshore mineral rights.

The question has been a matter of controversy for some time. Last November the Supreme Court of Canada provided an authoritative clarification of the legal position with respect to the areas off the west coast and lying outside the harbours, bays, estuaries and other similar waters which were regarded as inland waters at the time the province entered confederation. In brief, the court opinion was that the federal government is entitled to proprietary and other rights in these new areas offshore from the historic boundaries of British Columbia, which were defined generally as the ordinary low-water mark. The court thus confirmed the view previously reached by the law officers of the crown that all rights held or acquired by Canada in submerged lands lying outside the boundaries of any province accrue to Canada as a whole.

[*Translation*]

The reference to the Supreme Court was designed to determine in the most authoritative way where the jurisdiction rests. My predecessor, Mr. Pearson, indicated at the federal-provincial conference of July 1965, and I repeated in the house on September 19, that we intend to proceed now by negotiation. I am announcing today certain steps the government is taking and certain proposals we are making to the provinces which we believe to be both important and equitable.

In the light of the Supreme Court's unanimous finding in favour of the crown in right of Canada, on the basis of principles that would appear to be substantially applicable to the east coast as well as to the west coast, the main problem becomes one of delineating the areas concerned to meet the practical requirements of mineral resource administration. That is, it is necessary to establish lines for the purpose of differentiating between submerged lands to be administered by the federal government and lands to be administered by the provincial governments.

There are certain difficulties in using for this purpose the boundaries described by the court, since it is difficult to ascertain what would have been considered as a bay or harbour for the purposes of international or domestic law at the time most of the provinces entered confederation, and since the lines of low tide are shifting and uncertain and our seacoasts are characterized by deep indentations, straits, innumerable islands, and inlets of various configurations.

[*English*]

After exploring a number of alternatives, it has been found that the geodetic grid system provides the best basis for delineation of areas of offshore administration. This method is already utilized for the issuance of exploration permits. The geodetic grid system is the reference system of lines of longitude and latitude used to identify the precise positions of points on the earth's surface. Using this system we have drawn so-called mineral resource administration lines, always well within the area of federal jurisdiction on the basis of the principles laid down in the Supreme Court opinion, with the intention that the federal government will administer all offshore mineral rights seaward from these lines. It should be noted that the mineral resource administration lines are not to be confused with the base lines from which Canada's territorial sea and fishing zones are measured in keeping with international law.

We are taking into account the undertaking of equitable arrangements made by Mr. Pearson. We are offering to work out in conjunction with each of the coastal provinces a

method whereby they would in effect administer any offshore mineral rights under federal jurisdiction on the landward side of the mineral resource administration lines. In addition the federal government is prepared to concede to the coastal provinces all revenues derived from the mineral resources of the submerged lands within these lines.

The proposed administrative lines enclose several offshore areas which are linked closely with adjacent provincial lands. Off the west coast these include the sea bottom between Vancouver island and the mainland, as well as appreciable areas in close proximity to the mainland and offlying islands. Off the east coast they include large areas of the sea bottom in the bay of Fundy, Northumberland strait and the passage Jacques-Cartier. These areas will also include historic bays and waters adjacent to numerous offlying islands thus making substantial territories available for administration by each of the coastal provinces.

[*Translation*]

In view of the many aspects of national significance involved, the government regards it as essential to retain the administration and management of mineral resources seaward from the mineral resource administration lines. With respect to the revenues, however, Mr. Speaker, the government wishes to seek a fair and reasonable basis whereby the provincial governments would share in the revenues that may be derived from these national resources which lie off the coasts of the provinces. It would be the intention to place the revenues accruing from these resources in a single national pool from which half the revenues would be made available to the provinces concerned. This would be purely a financial arrangement and would not imply involvement by the provinces in the jurisdiction and administration of mineral resources in those areas beyond mineral resource administration lines.

I am issuing today maps showing the locations of the mineral resource administration lines off both the east and west coasts. Similar lines will also be drawn in the regions of Hudson Strait, Hudson Bay, and James Bay, where it will also be necessary to define a boundary between the submerged lands adjacent to the provinces and those adjacent to the Northwest Territories and Arctic Islands. Acceptance of the mineral resource administration lines is the necessary first step in resolving the offshore situation. We can then work together with the provinces in finding a satisfactory basis upon which the provincial share of revenues would be divided.

[*English*]

The question of the basis upon which the provincial share of revenues would be divided is one on which the federal government is open to suggestions. We would be agreeable to any proposal that the provincial governments themselves feel is acceptable. It may be that in discussions among themselves the provinces have already touched upon a basis or method which can be utilized in this connection. We would be prepared to hold the provincial share of revenues in escrow for a reasonable time until a satisfactory formula has been decided upon. If it would help in reaching an acceptable solution within a reasonable period, we would be willing to make constructive suggestions. I have written on Friday to the premiers on this subject, and I hope they will respond favourably to the federal offer within a relatively short time. Then we can proceed to work out details.

• (2:50 p.m.)

It is essential to reach a settlement of the offshore situation with all possible dispatch. The continental shelf areas adjacent to Canada comprise a vast new territory estimated to be almost 40 per cent as large as the total land area of Canada. Several regions favourable for the development of mineral resources are probably present, particularly as concerns oil and gas.

It is clearly in the interest of all levels of government that conditions are such as to facilitate the rapid development of Canada's offshore minerals. For our part we wish to do everything possible to avoid jurisdictional disputes that would hinder or delay the development of these natural resources. This is the spirit in which we are offering to work out these arrangements with the provinces.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, may I first be permitted to welcome the Prime Minister back from his adventures in Toronto. I am sure we who had a chance to see him on television and watch the determination with which he kicked off will examine with great interest the result he achieved in the light of what happens to the just society from here on.

Mr. Trudeau: Stopped by the press.

Mr. Baldwin: Mr. Speaker, I listened to the Prime Minister with great interest. This is indeed an important subject. It has been estimated that there are 250 years supply of oil alone beneath the sea, based on present yearly consumption, and that the continental shelf contains as much mineral wealth per square mile as dry land. So it is indeed a very important matter with which the Prime Minister has dealt today.

First I want to say quite clearly that it is not possible at this stage to indicate that the proposals made by the Prime Minister are in fact equitable, or to examine clearly the extent to which there will be fair sharing between the provincial governments and the federal government under the terms of the proposals he has made. That has to be considered later. However, I would make several other comments.

In his statement the Prime Minister said we intend to proceed now by negotiation. As I listened to him delineate very clearly what the federal government intended to do and what the provincial governments would be allowed to do, it struck me at first blush that there was remarkably little negotiation involved. It may well be that as the matter proceeds further negotiation will indeed be permitted, but if the Prime Minister is saying on behalf of the federal government "This is the way we intend to do it", and the provinces will be entitled only to such resources as lie within the area delineated in his statement, then I say this falls far short of the true kind of negotiation which we should expect.

There are still one or two questions which have to be answered. Certainly this is not the forum in which to go into details, but to what extent is the judgment applicable on a national scale? The Prime Minister indicates that it does have national application, but as one examines the answers given by the Supreme Court of Canada to the questions, one discovers those were specific answers to specific questions related to the province of British Columbia alone. While it may be true that these proceeded on certain principles, I think it is a well known legal maxim that where there is a specific question, and a specific reference, the answers are applicable only to that reference.

This is a question which must yet be determined. In spite of the fact that the Prime Minister has indicated that the law officers of the crown, in the right of the federal government, have taken a certain view, this may not necessarily be the view which the provincial governments will take.

[Mr. Trudeau.]

The second question is, to what extent is the federal government free to negotiate, to give away or withhold as it sees fit, resources which its legal advisers have told it belong to all the people of Canada, resources which, pursuant to the constitutional decisions, to the British North American Act and other constitutional statutes, belong to all the people of Canada? To what extent would it be possible for the federal government to make a binding disposition of such resources without such a decision being subject to challenge? I cannot take any position at this time, but I think this is a very important question which must still be decided. Certainly if the Prime Minister's statement is a basis for discussion and negotiation between the federal government and the provinces that is fine; but I suggest through you, Mr. Speaker, to the members of this house that the only type of decision which in fact can be fair and probably binding in law as well as in equity is one arrived at after full discussion between the provincial and federal governments. Until that time comes we will have to look at this issue very, very carefully.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to thank the Prime Minister for his courtesy in sending us in advance a copy of this important statement. I confess that when an opposition spokesman receives a statement an hour in advance, he spends that time in trying to find things that are wrong with the statement. I must also confess that in the hour I had I found little that one can really complain about so far as this statement is concerned.

The importance of this subject is impressed upon us by the remarks the Prime Minister made and by the statistics just given by the hon. member for Peace River. We also realize that there is a very real issue at stake, namely to whom shall go the revenues from the huge oil and mineral resources that probably are to be found under the waters adjoining this country.

It seems to me that the essence of the Prime Minister's statement is very simple; that is, the jurisdiction is clearly federal, but common sense calls for some sort of a share the wealth program. We see this statement as seeking to implement those two principles, and to that extent it would seem to us to merit the approval of the house.

I did look in this statement for some reference to the international aspect of this whole question of mineral resources under the sea. It would seem that this has become a subject of concern at the United Nations. I looked for

something in the statement, but it was not there. Perhaps we will get that on another occasion. I welcome the fact that the Prime Minister has taken the position that the matter is federal and, therefore, that certain decisions have to be declared a starting point but that the federal government is prepared to negotiate with the provinces from that point on. I hope there will be an early effort, on the part of both the federal and provincial governments, to settle this very important question.

We are grateful to the Prime Minister for having made this statement without further delay. It is a very important issue.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, first of all we wish to thank the right hon. Prime Minister (Mr. Trudeau) for his statement on off-shore mineral rights.

I should like to make a brief remark on one specific point, namely the sharing of revenues derived from the exploitation of mineral resources means or suggests the sharing of responsibilities. The federal government having indicated that consultations would be held with the provinces with regard to the basis for the distribution of half the revenues derived from mineral resources. I feel that the provinces will also wish to participate in the administration and operation. Now, if the statement of the right hon. Prime Minister is studied carefully, it does not seem sure that the provinces can participate directly in the operation or administration if the federal government takes over those rights and it may not necessarily be to blame. I feel that it is a matter of jurisdiction and once again we go back to the very basis of our constitution which must delineate clearly the responsibilities of the federal and provincial governments.

Mr. Speaker, if this case is treated the way Labrador was, I fear that no solution will be reached. The privy council reached a decision in 1927 concerning the ownership of Labrador which led to a now historical bone of contention. It was to decide to whom Labrador belonged—to Quebec, to Newfoundland or to the federal government—and the privy council settled the matter in 1927. A few months ago the right hon. Prime Minister replied to me saying that nothing had changed and I think that the federal government does certain things when they serve its purpose, but it remains mute when that is more suitable. I should therefore like to take this opportunity to speak to the extremely timely statement of the Prime Minister and urge him to reconsider his decision concerning the ownership of Labrador, because I feel it is somewhat related to the matter now under discussion, that is off-shore mineral rights.

I therefore feel that it would be both in the interest of the federal government and the provinces to meet and define clearly the jurisdiction of the governments, on the federal and provincial level, because, in the final analysis, it concerns the very essence of the B.N.A. Act.

[*English*]

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

BIOLOGICAL EFFECTS OF MICROWAVE ENERGY

Question No. 499—**Mr. Schreyer:**

Has any research been conducted in Canada to test, under field conditions, the possible biological effects of microwave energy, both in its thermal and non-thermal effects and, if so, under whose aegis was the research done?

Hon. C. M. Drury (President of the Treasury Board): In so far as the National Research Council of Canada is aware the answer is as follows: At the level of intensity such as may occur in the vicinity of airport radar equipment, microwave communication systems, etc., work is believed to be in progress at the University of Manitoba (animal science division) to determine the long term effects of microwaves on the productivity of populations of chickens.

At a higher intensity corresponding to the "slightly thermal" level, research is being conducted at the National Research Council and supported by the council at Queen's University in relation to the behavioural influence that can be exerted on birds to keep them away from airports and commercial flight lanes.

MARC LALONDE

Question No. 537—**Mr. Muir (Cape Breton-The Sydneys):**

1. What is the present position of Mr. Marc Lalonde in the Office of the Prime Minister, what are his duties and what is his salary?

2. Did the said Marc Lalonde hold any previous position or positions in the federal government and, if so, what was this position or positions and with what department or departments of government was he associated?

3. Did Mr. Lalonde hold a position with the Royal Commission on Pilotage and, if so, what was this position, how long was he employed in this position and what was the total amount he received in salary and expenses from this position?

4. On what date did Mr. Lalonde first assume his present position in the Office of the Prime Minister

and was he formerly employed by the Prime Minister when he was Minister of Justice and, if so, what was his position at that time and what was his annual salary?

Mr. J. E. Walker (Parliamentary Secretary to Prime Minister): 1. Mr. Lalonde is principal secretary to the Prime Minister. The principal secretary is the Prime Minister's chief of staff and has direction of the Prime Minister's office.

The terms of his previous employment with the government were continued when he was appointed to his present position. His remuneration is on a fee basis and not to exceed $33,000 per year.

2. Mr. Lalonde was special assistant to the Hon. E. D. Fulton, Minister of Justice, in 1959-60; junior counsel to the industrial inquiry commission in the disruption of shipping on the great lakes in 1962; special adviser to the chairman of the royal commission on taxation in 1962-63; special adviser to the Privy Council office on securities, corporations and federal-provincial matters of a constitutional character in 1966-67; special adviser to the Prime Minister, April 1, 1967-June 26, 1968.

3. No.

4. June 27, 1968—the answer to the second part of the question is no.

FEDERAL BUILDINGS, METROPOLITAN TORONTO

Question No. 573—**Mr. Robinson:**

1. How many federal buildings are there in Metropolitan Toronto?

2. What is the total assessment of these buildings?

3. What were the total federal grants paid in lieu of taxes to each of the municipalities of Metropolitan Toronto in each of the years 1964-68 inclusive?

Hon. E. J. Benson (Minister of Finance): 1. Number of federal buildings and other properties assessed according to 1967 applications for grant in lieu of taxes submitted by municipalities in metropolitan Toronto:

City of Toronto	31
Borough of Scarborough	7
Borough of York North	10
Borough of Etobicoke	7
Borough of York	4
Borough of York East	2
TOTAL	61

2. Total assessment on federal properties listed in answer to question (1) above, according to applications for 1967 grants:

	$
City of Toronto	25,013,115
Borough of Scarborough	1,090,985
Borough of York North	15,012,065
Borough of Etobicoke	608,825
Borough of York	409,125
Borough of East York	35,165
	42,169,280

3. Payments, made by municipality, in respect of the years 1964 to 1968 were as follows:

Name of Municipality	1964 $	1965 $	1966 $	1967 $	1968 $
City of Toronto	1,767,302	1,926,911	2,147,511	2,427,801	2,410,227*
Boroughs (Townships)					
Etobicoke	30,795	31,891	36,614	55,272	63,918
Scarborough	28,704	93,895	102,616	49,424	37,705
York	—	615	394	38,991	42,911
York East	—	—	—	2,930	3,240
York North	1,319,415	1,396,962	1,388,456	1,139,063	—
Towns**					
Leaside	1,994	2,051	1,985	—	—
New Toronto	5,514	6,081	6,919	—	—
Weston	17,737	18,745	19,639	—	—
Villages**					
Forest Hill	449	471	511	—	—

* Partial payment.

** As of January 1, 1967, these municipalities became parts of the boroughs listed above.

ROLAND MADJIWON—EMPLOYMENT ON INDIAN RESERVE

Question No. 657—**Mr. Dinsdale:**

1. Was Roland Madjiwon employed at Lac la Croix Reserve as a teacher and drug dispenser?

2. If so, by whom was he employed and for how long a period?

3. What were Mr. Madjiwon's formal academic qualifications as (a) a teacher, and (b) a pharmacist?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. During the academic year 1967-68, the department employed Mr. Rolland Nadjiwon as a teacher-aide at the Lac la Croix school. Teacher-aide is a classification used for teachers who do not hold valid training certificates. He was not employed as a drug dispenser.

2. The department employed Mr. Nadjiwon from September 1, 1967 to August 31, 1968, inclusive.

3. (a) Mr. Nadjiwon completed senior matriculation and one year at Algonquin College of Applied Arts and Technology. (b) Unknown.

EXCHEQUER COURT OF CANADA

Question No. 679—**Mr. Fortin:**

1. Is it the intention of the government to introduce in the House a measure to modify the powers of the Exchequer Court of Canada and, if so (a) what changes will be proposed (b) will a court of first instance and an appeal court be established?

2. Are the rules of procedure of the Exchequer Court of Canada available in French and, if not, when will such rules be available in that language?

3. What have been the expenditures of the Exchequer Court of Canada during each of the past ten fiscal years?

4. Is it the intention of the government to decentralize the Exchequer Court of Canada in order to make it easier for citizens to have access to this Court?

[*Translation*]

Hon. John N. Turner (Minister of Justice): 1. The government has under consideration legislative proposals that will modify the jurisdiction of the Exchequer Court of Canada and establish an appellate branch or division but specific details can not be disclosed prior to introduction of a Bill in the House of Commons.

2. At the moment there is a 1966 Consolidation of the General Rules and Orders of the Exchequer Court of Canada in English only. This Consolidation was translated but not published because by the time the translation was available, the rules had and were being substantially amended. Since it would have cost nearly $9,000.00 to publish the translation, it was considered more advisable to wait until the Court had completed its amendments to the rules, at which time a new English and French Consolidation would be published. It is expected that the new bilingual edition will be published early in 1969.

3. Including administration, judicial salaries and travelling allowances total expenditures were: 1958-59, $243,094; 1959-60, $252,160; 1960-61, $261,178; 1961-62, $255,205; 1962-63, $285,249; 1963-64, $326,691; 1964-65, $363,358; 1965-66, $392,048; 1966-67, $453,625; 1967-68, $591,204.

4. The government has under consideration various ways and means that might be adopted to further decentralize the operations of the Exchequer Court of Canada.

[*English*]

IMMIGRANTS FROM CZECHOSLOVAKIA

Question No. 693—**Mr. Schreyer:**

1. To date in 1968, what is the cost to the Government of Canada for (a) transportation, and (b) accommodation for persons coming to Canada from Czechoslovakia as (i) immigrants (ii) refugees?

2. How many persons have come to Canada in 1968 from Czechoslovakia as (a) immigrants (b) refugees?

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): 1. While a refugee classification has been used for statistical purposes, all Czechoslovakians admitted to Canada under the special measures adopted by the government have, on arrival in Canada, been granted landed immigrant status in the same way as any other immigrant to this country.

(a) (i) and (ii) On the basis of arrivals up to November 8, 1968, the cost of transoceanic transportation is estimated to be $698,490 most of which is recoverable. A further $18,864.57 has been expended on inland transportation in Canada.

(b) (i) and (ii) It is estimated that up to November 8, 1968, the department has expended $662,907.28 on assistance in Canada to Czechoslovakians for such items as accommodation, meals, groceries, clothing and other necessities. No breakdown is available showing expenditures under these various items.

2. (a) and (b) As of November 8, 5,002 Czechoslovakian refugees had been granted landed immigrant status in Canada.

Questions

PRESS RELEASES, PUBLIC WORKS DEPARTMENT

Question No. 695—**Mr. Howard (Skeena):**

1. Does the Department of Public Works issue documents which are of the nature of press releases, press communiques, news releases or the like and, if so, how many such documents have been issued since July 1, 1968?

2. What has been the cost of (a) printing headings or cover sheets (b) typing the stencils (c) mimeographing or other form of duplicating (d) collating and stapling (e) addressing and mailing the said documents?

3. With respect to the paper used for the said documents, what is (a) its quality (b) the quantity used and the cost thereof?

4. What is the estimate of the number of man-hours consumed in the preparation, production and distribution of such documents?

Hon. Arthur Laing (Minister of Public Works): 1. Yes; 179.

2. (a) $24; (b) $150; (c) $37; (d) and (e) $642.

3. (a) No. 7 bond 16 lb.; (b) 30,000 sheets 8½x14—$75.

4. 475 hours.

SCIENTISTS SENT TO JAPAN BY GRAIN COMMISSION

Question No. 696—**Mr. Mazankowski:**

1. What are the names of the senior scientists sent to Japan by the Board of Grain Commissioners?

2. What was the duration of the visit?

3. What was the cost involved in conducting this mission?

Hon. H. A. Olson (Minister of Agriculture): 1. Dr. I. Hlynka and Dr. W. O. S. Meredith.

2. Dr. Hlynka, 27 days; Dr. Meredith, 20 days.

3. $3,046.90.

TELEVISION SATELLITE PROGRAM

Question No. 731—**Mr. Robinson:**

1. Is it the government's intention to have a Canadian satellite program to provide satisfactory TV reception in all parts of Canada?

2. Is it the intention of the government to license individuals and/or companies to use the Canadian satellite in the field of CATV?

Hon. Eric W. Kierans (Postmaster General): In so far as telecommunications is concerned —1. The government's intention has been outlined in the white paper presented by the Minister of Industry on March 28, 1968. Detailed planning is now being carried out in accordance with the principles enunciated in the white paper.

[Mr. MacEachen.]

2. No. The white paper stated that the proposed corporation would own both the satellites and the earth stations of the satellite system.

DYKE CONSTRUCTION PROGRAM, MANITOBA

Question No. 752—**Mr. Schreyer:**

1. What was the total cost of the dyke construction project undertaken under the ARDA-FRED program since 1965 in the area east and north of Riverton, Manitoba?

2. What was the federal share of the construction cost in percentage and absolute terms?

3. How many miles of dyke were constructed?

4. Were any of the dykes constructed under this program removed or lowered?

5. If so, for what reason?

6. If so, what footage of dyke was so lowered or removed and at what total cost?

Mr. Russell C. Honey (Parliamentary Secretary to Minister of Forestry and Rural Development): 1. No dyke construction was undertaken under the ARDA or FRED programs in the area east and north of Riverton, Manitoba.

2 to 6. N/A.

WEIGHTS AND MEASURES SERVICE

Question No. 762—**Mr. Godin:**

1. Do all the provinces avail themselves of the weights and measures service provided by the federal government?

2. How many times a year are commercial concerns visited by an inspector of that service?

3. In the course of his regular work, how many concerns does an inspector visit in one month?

4. Is the service provided free and, if not, what is the cost and what are the conditions?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): 1. The weights and measures service operates in all provinces, the Northwest Territories and the Yukon.

2. One each year, unless more frequent inspections are requested, or unless devices require reinspection following repairs.

3. On the average, each inspector visits 77 concerns each month. In 1967, 472,365 trade devices were inspected, ranging in complexity from gasoline meter pumps to electronic railway track scales, and 671,765 packages were checked for accuracy of quantity declaration.

4. Fees charged for inspection of measuring devices used in trade are in accordance with schedule IX of the weights and measures regulations established by order in council P.C. 6894 dated December 19th, 1951 and amendments. No charge is made for tests leading to

type approval of new models of weighing or measuring machines, or for inspection of prepackaged goods.

POST OFFICE CONSTRUCTION, PRINCE EDWARD ISLAND

Question No. 773—**Mr. McQuaid:**

1. Is the government planning the construction of any new post office buildings in Prince Edward Island during 1969 and, if so, how many are planned and where are they to be built?

2. Were any new post office buildings constructed in Prince Edward Island during 1968 and, if so, where were they built and at what cost?

Hon. Arthur Laing (Minister of Public Works): 1. No.

2. One at Cornwall, costing $21,069.94.

MOUNTED POLICE BUILDING, HALIFAX

Question No. 776—**Mr. McCleave:**

1. What buildings have been built or are being built under Vote 20 of the current estimates of the Solicitor General, where and at what cost or estimated cost?

2. What is the estimated cost of the new RCMP building considered, but postponed, for the Halifax area?

3. Will the building be included for the next fiscal year?

4. What continuing use, if any, would be made by the RCMP of its present building in Halifax?

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

1. For the Royal Canadian Mounted Police

Questions

	*Cost $
a) Sub-division administration buildings at	
Corner Brook, Nfld.	650,000.00
Sydney, N.S.	550,000.00
Brandon, Manitoba	550,000.00
b) Laboratory building (temporary) at	
Vancouver, B.C.	140,000.00
c) Detachment quarters at	
Bay d'Espoir, Nfld.	34,295.00
Placentia, Nfld.	97,745.00
Richibucto, N.B.	74,270.00
Gaspe, P.Q.	81,209.00
Nipigon, Ontario	72,000.00
La Loche, Sask.	85,000.00
Lanigan, Sask.	69,500.00
Buffalo Narrows, Sask.	28,806.00
Roam Lake, Sask.	70,000.00
St. Paul, Alta.	150,000.00
New Denver, B.C.	76,950.00
Lake Harbour, N.W.T.	52,000.00
d) Cell block buildings (separate) at	
La Ronge, Sask.	42,000.00
Watson Lake, Y.T.	47,000.00
e) Married quarters (separate) at	
Seven Islands, P.Q.	24,791.00
Pakenham, Ontario	55,135.00
Lynn Lake, Manitoba	33,616.00
Pangnirtung, N.W.T.	39,445.00
Aklavik, N.W.T.	47,200.00
f) Warehouses, workshops and patrol cabins at	
Cape Dorset, N.W.T.	10,520.00
Fort Norman, N.W.T.	7,109.00
Fort Simpson, N.W.T.	6,600.00
Fort Providence, N.W.T.	3,635.00
Fort Resolution, N.W.T.	6,220.00
Frobisher Bay, N.W.T.	6,335.00
Fort Franklin, N.W.T.	2,475.00
Rankin Inlet, N.W.T.	6,600.00
Tuktoyaktuk, N.W.T.	8,944.00
Fort Wrigley, N.W.T.	2,716.00
Hay River, N.W.T.	12,000.00
Old Crow, N.W.T	6,400.00
Dawson, Y.T.	8,077.00
Whitehorse, Y.T.	30,783.00
Carmacks, Y.T.	14,320.00
Watson Lake, Y.T.	8,220.00
g) Radio repeater stations at	
Granite Village, N.S.	3,595.00
Italy Cross, N.S.	3,360.00
Dauphin, Manitoba	4,000.00
Martin Mountain, Alta.	100.00
Skiff, Alta.	3,420.00
Fort McMurray, Alta.	80.00
Elkwater, Alta	3,336.00
h) Boat house at	
Cumberland House, Sask.	1,608.00
i) Aircraft hangars at	
Peace River, Alta.	109,040.00
Prince Rupert, B.C.	129,700.00
j) Dog kennels at	
Fort Saskatchewan, Alta.	945.00

*Costs indicated are estimated total costs, not necessarily amount shown in current estimates.

2. $2,250,000.

3. No.

4. None, when new R.C.M.P. building is completed present building will be declared surplus.

Questions

POSTAGE RATES ON BOOKS

Question No. 786—**Mr. Monteith:**

1. What is the rate of postage for a book mailed by a book seller or his agent?

2. What is the rate of postage for the same book if mailed by a member of the general public?

3. Would the Postmaster General consider a subsidy for the book trade by way of a special postal rate?

Hon. Eric W. Kierans (Postmaster General): 1. 14 cents for the first 10 ounces, 1 cent each additional 2 ounces or fraction to each separate address, up to a maximum weight limit of 25 pounds, when mailed for delivery in Canada under the postage rate category recently established for mailings of books posted by publishers, book clubs and retail and wholesale distributors. Books may also be posted by such mailers at the regular third or fourth class rates of postage, in which case the normal 1 pound limit of weight for third class mail or the normal 25 pound weight limit for fourth class mail applies.

2. For delivery in Canada, 5 cents for the first 2 ounces and 3 cents each additional 2 ounces or fraction thereof to each separate address up to and including 1 pound. Over 1 pound up to and including 25 pounds, the fourth class zone rates of postage apply.

3. No. The special postage rate mentioned in question 1 was introduced 1st November 1968.

"CARRILLON CANADA"

Question No. 787—**Mr. Howard (Okanagan Boundary):**

1. What is the cost per issue, including staff employees' salaries, of producing the new Veterans Affairs departmental magazine "CARRILLON CANADA"?

2. How many copies are printed and who gets them?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): 1. The estimated cost of the first issue of this staff magazine is $3,400, of which about $300 was for non-recurring design charges and approximately $1,100 for salaries of public relations division staff.

2. The print order was for 12,500 copies, of which 11,400 were required for distribution to personnel in the Department and its associated agencies. Copies of the first issue have been distributed to senators and members of the House of Commons, to several deputy ministers and other senior government officers, to the members of the Ottawa and overseas veterans' contingents, to the dominion council of the Royal Canadian Legion, leaders of the public service staff associations and a few others.

LAKE ONTARIO CLAIMS TRIBUNAL

Question No. 791—**Mr. Mather:**

1. When was the Lake Ontario Claims Tribunal established?

2. When did the Tribunal make its report?

3. Who were the members of the Tribunal?

4. What was the cost, in dollars, of the Tribunal to Canada?

5. What was the result of the work of the Tribunal, including its finding as to Canada's compensation obligation, in dollars?

6. What was, in dollars, the earlier offer of settlement of claims by the U.S.?

Hon. Mitchell Sharp (Secretary of State for External Affairs): In so far as the Department of External Affairs is concerned: 1. The tribunal was established by a Canada-U.S. agreement dated March 25, 1965 which came into effect on October 11, 1966.

2. The tribunal handed down rulings on certain important preliminary questions on January 15 and February 13, 1968. It made no other ruling or report but the chairman did make certain statements at the final session of the tribunal which was held on Friday, September 27, 1968. In these statements the chairman noted that the governments of Canada and the United States had agreed to settle the claims for a lump sum payment to the government of the United States by the government of Canada of $350,000 U.S. on the basis that such payment be made without prejudice to legal or factual positions maintained by the two governments and without precedential effect.

3. Members: Chairman: Dr. Lambertus Erades, vice-president of the Rotterdam district court, The Netherlands. Canadian national member: The Honourable W. D. Roach, retired justice of the court of appeal of Ontario. U.S. national member: Professor Alwyn V. Freeman of John Hopkins University, Baltimore.

4. A number of accounts are still outstanding. The cost to date to Canada including the amount of the settlement is $442,100.

5. As indicated in the answer to question 2, while the tribunal handed down rulings on certain important preliminary questions it made no award. However, in a closed session on February 13, 1968, the tribunal suggested to the agents of the two governments that an

attempt to be made without prejudice either to the validity of the claims or to the issue of substantive liability that they ascertain whether their governments would be prepared to attempt to negotiate a settlement. Following the making of this suggestion, intergovernmental negotiations were undertaken, and these negotiations culminated in a settlement, the terms of which have been summarized briefly in response to question 2.

6. No earlier offer of settlement in dollars was made by the U.S. government. However an offer of compromise by the claimants to settle the claims in full for the sum of $875,000 United States dollars was transmitted to the Department of External Affairs in a communication dated July 22, 1959 from the United States embassy in Ottawa. Eventually many of the claims were formally espoused by the United States government in proceedings before the tribunal.

STABILIZATION BOARD PAYMENTS TO QUEBEC FARMERS

Question No. 804—**Mr. Matte:**

What part of the cost of the Agricultural Stabilization Board programs for the first ten years of operation ending March 31, 1967, was paid to Quebec farmers for the following products (a) potatoes (b) apples (c) sugar beets (d) honey (e) manufacturing milk?

Hon. H. A. Olson (Minister of Agriculture):

Year	(a) Potatoes	%	(b) Apples	%	(c) Sugar Beets	%
	$		$		$	
1966-67	—	—	—	—	850,056	8.4
1965-66	—	—	—	—	483,150	12.0
1964-65	—	—	—	—	—	—
1963-64	—	—	—	—	—	—
1962-63	—	—	—	—	168,891	8.5
1961-62	—	—	—	—	122,085	7.3
1960-61	—	—	—	—	76,502	2.8
1959-60	—	—	—	—	73,040	2.7
1958-59	—	—	—	—	—	—
1957-58	—	—	—	—	—	—
	—	—	—	—	1,773,724	7.6

Year	(d) Honey	%	(e) Manufacturing Milk	%	Quebec Total	%
	$		$		$	
1966-67	—	—	31,568,883	41.1	32,418,939	37.3
1965-66	147	100.0	19,436,238	25.1	19,919,535	24.4
1964-65	—	—	17,534,349	42.0	17,534,349	42.0
1963-64	2,233	2.9	19,655,759	42.0	19,657,992	41.8
1962-63	1,477	.4	5,943,651	44.8	6,114,019	37.7
1961-62	5,554	6.1	5,736,896	46.4	5,864,535	40.4
1960-61	—	—	5,898,214	51.6	5,974,716	42.3
1959-60	—	—	4,264,574	43.4	4,337,614	34.8
1958-59	—	—	—	—	—	—
1957-58	—	—	—	—	—	—
	9,411	1.7	110,038,564	38.0	111,821,699	35.4

Questions

UNEMPLOYMENT INSURANCE CLAIMS

Question No. 805—**Mr. Laprise:**

How many initial requests were made to the Unemployment Insurance Commission during the fiscal year ended March 31, 1968?

[*Translation*]

Hon. Bryce S. Mackasey (Minister of Labour): 1,389,366 initial claims were made through the commissions's offices during the fiscal year which ended March 31, 1968.

[*English*]

DEFENCE POSTINGS FOR SEA SERVICE

Question No. 821—**Mr. MacLean:**

1. Did the Department of National Defence send out a general signal on June 26, 1968 to the effect that men from other services would be posted to fill sea-going personnel shortages?

2. Have any other signals to this effect been transmitted by National Defence Headquarters since that date?

3. Since June 25, 1968, how many men have been posted to serve in an environment (air, sea, land) other than the one he was in, without volunteering for such assignment?

4. Have any servicemen indicated that they did not wish to accept such a posting and, if so, how many?

5. Have any servicemen refused to accept such postings and, if so, how many?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): 1. A general message was sent out stating that, as certain environmental and trade imbalances could be expected due to the planned force reduction by normal attrition, some tradesmen would be offered employment outside of the environment in which they enlisted. The message emphasized that the vested right of all servicemen who enrolled before 1 February, 1968, would be respected. Because of the small numbers involved, it was considered unnecessary to go out with a request for volunteers. Instead, the question was put as part of a normal posting instruction and if the serviceman exercised his vested right the posting was offered to someone else. This in no way affects his career opportunities.

2. No.

3. 38.

4. Yes, one.

5. Yes, 14.

PUBLIC WORKS, BEAUCE CONSTITUENCY

Question No. 831—**Mr. Rodrigue:**

What projects undertaken by the Department of Public Works are presently in progress in the constituency of Beauce?

[Mr. Olson.]

[*Translation*]

Hon. Arthur Laing (Minister of Public Works): A new Post Office at St. Benoit Labre is under construction in Beauce constituency.

[*English*]

ARMOURIES TO BE DISPOSED OF BY CROWN ASSETS

Question No. 852—**Mr. Marshall:**

What armouries in Canada are to be closed and handed over to Crown Assets?

Mr. D. W. Groos (Parliamentary Secretary to Minister of National Defence): The following armouries are in the process of being declared surplus to defence requirements: Brooks, Alberta, (0.339 acres and two buildings); Montreal, Quebec, (750 Belair Street); (3590 St. Antoine Street), (2.49 acres and 9 buildings—partial armoury site).

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I should like to rise on a question of privilege. I have placed a number of questions on the order paper in line with Your Honour's suggestions, some of which have been there unanswered for two and a half months. I have directed questions to the minister of Manpower and Immigration. They have been unanswered. Question No. 485 was directed to the Minister of Transport, and it has been unanswered for two months. This is a question which could and should have been answered within three or four days. I bring this situation to Your Honour's attention and suggest that the answers to some of these questions should be forthcoming at a very early date.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I am not here to raise a kick, or even to endeavour to kick the distance of 18 feet which separates me from the right hon. gentleman, but I should like to ask the Prime Minister whether he has received that list of those who were awarded Centennial medals between June and December of 1967. I have been trying to obtain that list, including all those other than members of the armed forces, and the Prime Minister indicated that he would table it. I thought he should have done so before now, because surely the list must be ready after this length of time.

Inquiries of the Ministry

DOMINION-PROVINCIAL RELATIONS

INQUIRY AS TO AGENDA FOR CONFERENCE

On the orders of the day:

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I should like to ask the Prime Minister whether he can now say that an agreement has been reached in respect of the agenda for the federal-provincial conference. If so, can he advise the house as to the items to be discussed?

Right Hon. P.-E. Trudeau (Prime Minister): Unfortunately, Mr. Speaker, I have not received replies from all the provinces to a letter I sent to the premiers more than a fortnight ago. I asked them if they would agree on the agenda which had been discussed by officials for some period of time. Until I have received such agreement from the provincial premiers I do not feel that I should unilaterally release the proposed agenda. If I did so I might be blamed by the official opposition for acting unilaterally, and hon. members may want to use this as another political football.

If it is of any assistance to the opposition I might indicate that the agenda does arise from decisions taken at the February conference. We are not proposing any great departure. I appreciate the importance of making this information available to the opposition and the public at an early date, and I hope the provincial premiers will see fit to answer as soon as possible.

Mr. Baldwin: Mr. Speaker, in view of the remarks of Premier Robarts in the Ontario legislature, as well as other provincial premiers, is the government giving consideration to whether the conference will concern itself with the division of revenues as well as responsibilities at the two levels of government?

Mr. Trudeau: In the absence of the Minister of Finance I can say that he has written the provincial premiers suggesting that the two days following the constitutional conference be allocated to discussion of financial matters and meetings of federal-provincial ministers of finance. These days will be in addition to the meeting which took place early last month, and will give provincial officials ample opportunity to raise this matter and for us to discuss it with them.

FINANCE

SUGGESTED REIMPOSITION OF CEILING ON BANK INTEREST RATES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in view of the fantastic profits being reported by a number of the chartered banks in Canada, will the government consider reimposing the ceiling on interest rates which banks may charge?

Right Hon. P.-E. Trudeau (Prime Minister): We can always consider this, Mr. Speaker, but I would prefer that this question be directed to the Minister of Finance. He may have a more sophisticated answer.

Mr. Knowles (Winnipeg North Centre): Will the Prime Minister discuss with the Minister of Finance the possibility of referring this matter to the committee on finance, trade and economic affairs?

Mr. Trudeau: I do not mind discussing this possibility with him, Mr. Speaker, but I must say I will not have a very strong inclination to try to convince him.

Mr. Knowles (Winnipeg North Centre): Is that leadership?

[*Translation*]

EXTERNAL AFFAIRS

MEETING OF EDUCATION MINISTERS OF FRENCH SPEAKING COUNTRIES

On the orders of the day:

Mr. André Fortin (Lotbinière): Mr. Speaker, my question is directed to the right hon. Prime Minister.

Could he tell us whether he would agree to table a copy of the invitation he received from the government of the Niger and a copy of the letter he sent through the leader of the government in the senate concerning the conference of French-speaking countries which is to take place in the Niger soon? Would he table those two letters, for the information of the members of this house?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, the question could have been put to the Secretary of State for External Affairs (Mr. Sharp) but, in my opinion, it would be contrary to usage in the field of external affairs to make public a communication we have received without the authorization of the person who sent it to us.

Inquiries of the Ministry

[*English*]

CRIMINAL CODE

INQUIRY AS TO CHANGES IN AMENDING LEGISLATION

On the orders of the day:

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Minister of Justice whether he has redrafted or changed those sections of the new omnibus bill to be brought before the house which have reference to abortions?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I have received representations from all over the country in respect of various matters contained in the omnibus bill. As a result of these representations I have recommended some important changes in detail but not in principle. The new draft of the bill is currently before my colleagues.

Mr. Woolliams: A supplementary question, Mr. Speaker. I wish to thank the Minister of Justice for his answer. Has the minister disclosed to the news media or others the nature of the changes in the new bill, compared to the bill as drafted and presented by the previous Liberal government?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I have made no firm disclosures of them, because whatever changes are contemplated by the bill will have to be approved by the government as a whole.

Mr. Woolliams: A further supplementary question, Mr. Speaker. The Minister of Justice says he has made no firm disclosures. Has he made any disclosures to the news media or others?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, naturally I have been discussing this bill when the occasion has arisen and I have had reason to comment on the various views affecting all aspects of the bill, as I believe it is my duty to do.

Mr. Woolliams: I have one further supplementary question, Mr. Speaker. Has the Minister of Justice given any thought to making some revolutionary changes in reference to amendments to the Criminal Code to strengthen the hand of administrative officers to effectively stop and control the spread of syndicated crime in Canada?

Mr. Turner (Ottawa-Carleton): That is another important matter and I agree with the hon. member as to its importance. I earlier stated to the house that only the matters currently found in former Bill C-195 would be brought back for consideration by the house; but as the hon. member suggests, and I agree with him, organized crime is a matter to which we have to direct our attention.

BUSINESS OF THE HOUSE

COMMITTEE RECOMMENDATION RESPECTING C.N.R. RAIL SERVICE IN NEWFOUNDLAND

On the orders of the day:

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is to the President of the Privy Council in his capacity as house leader. Will the minister recall the estimates of the Canadian Transport Commission before the house so the house can deal with the recommendation of the standing committee regarding the passenger rail abandonment of the C.N.R. in Newfoundland?

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, I am certainly prepared to consider that, but I suggest both in respect of these estimates and others that a far more productive way of arranging the business of the house would be for the hon. member to consult his house leader. I have asked the other house leaders what estimates they would like to deal with for the balance of this week. I think this would be a better way to deal with the matter.

Mr. McGrath: Mr. Speaker, I direct a supplementary question to the chairman of the standing committee on transport and communications. Will the hon. member undertake to bring in a report to the house at the earliest possible opportunity so the house can deal with the recommendation made by the committee on Thursday last?

Mr. Macdonald (Rosedale): Mr. Speaker, perhaps I could remind the hon. member that it is not necessary to make a report. The house can bring these estimates back when it desires.

DOMINION-PROVINCIAL RELATIONS

APPLICATION OF SUPREME COURT DECISION TO PROVINCES OTHER THAN BRITISH COLUMBIA

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I direct a question to the Prime Minister in connection with the statement he read to the house today. I do not

know whether I missed the answer to the question I am about to ask. If I did, it is only because I did not hear that portion of the statement.

The situation in provinces other than British Columbia, that is the provinces of Saskatchewan, Manitoba, Quebec, Ontario and the maritime provinces, is quite different basically and juridically, and I am wondering why the request for the viewpoint of the Supreme Court of Canada regarding the ownership of offshore minerals in these provinces was not submitted to the Supreme Court of Canada before the Prime Minister decided on setting out in detail the attitude to be taken by the government of Canada.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, if the right hon. gentleman is asking why it had not been done before, I can only say that it was another government that decided to submit this reference in this particular way. With regard to why it is not being done now before making the statement, I think the best answer is that this type of reference is a lengthy procedure. It might take months of litigation and waiting for the rendering of a decision. It is in order to gain time that the government has proceeded in this fashion.

I agree with the right hon. gentleman that there are some distinctions in law to be drawn between the various situations. But we feel the underlying principles are much the same and we prefer to go ahead now with a negotiated settlement, if it is possible, rather than embark upon possibly years of litigation; because it is extremely urgent that all Canadians should reach some kind of agreement as soon as possible in order that the exploitation of these resources be begun as quickly as possible.

Mr. Diefenbaker: The question of time is always important, Mr. Speaker, but there is a matter of great principle here. I am wondering whether the Prime Minister has given consideration to asking the Supreme Court of Canada to permit an early submission to them for their opinion. It would not take very long. It did not take very long in regard to the submission respecting British Columbia. I am sure the Supreme Court of Canada, in view of the importance of this matter, would give the Prime Minister the assurance that at the earliest possible date an opinion would be given. Otherwise these provinces which have a different juridical position than British Columbia find themselves in an impossible position.

Mr. Trudeau: Mr. Speaker, the hon. member recognizes that the legal position may vary from case to case; therefore it would take a great many references. Also, the impression I got from the comments of the house leader of the official opposition was that this should be more by way of a political decision rather than a judicial one. He indicated that there was not enough negotiation, and seemed to object that we were starting from the fact that the opinion had given us entire priority with regard to areas in British Columbia below the low water mark.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I rise on a question of privilege. What I said with respect to this matter—I have to repeat it in order to make sure that the question of privilege is clearly understood—was that with regard to the other areas the question may well be dependent upon what view of the law could be taken by the Supreme Court, and then in any event the rights which are determined are not rights which the federal government by itself can dispose of. If the answer to the first question I asked is in the affirmative, it may well be that provinces and people who do not have access to the coast lines have certain rights which the federal government may not be able to barter away. Consequently, if a decision is going to be made, in the final analysis it should be a decision in which all the provinces are able to participate.

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I ask the Prime Minister what influenced the law officers of the crown to change their minds or reverse their decision with respect to offshore mineral rights in the last 18 months.

Mr. Trudeau: Mr. Speaker, I know of no such reversal; therefore I am not in a position to say what influenced them to change their minds.

Mr. MacInnis (Cape Breton-East Richmond): A supplementary question, Mr. Speaker. With regard to the acquisition rights of the government under the crown corporation as set out in Bill C-135, that bill recognizes the right of Nova Scotia to offshore minerals. This matter is legislated in their own bill—

Mr. Speaker: Order, please. The hon. member for Calagary North on a supplementary question.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I rise on a question of

privilege. At the time this question was placed before the Supreme Court in connection with the mineral rights of the province of British Columbia, we were informed by the then prime minister that the decision would not necessarily weigh upon the other provinces and that the other provincial—

Mr. Speaker: Order, please. I wonder whether the hon. member would not recognize that this is becoming close to a debate. Perhaps we might allow the Prime Minister to reply to the hon. member's question. That may clarify the situation; I am hopeful it will. If not, perhaps I will allow the hon. member to continue his question of privilege.

Mr. Trudeau: Thank you, Mr. Speaker.

Mr. MacInnis (Cape Breton-East Richmond): With all respect, sir,—

Mr. Knowles (Winnipeg North Centre): Who has the floor?

Mr. Speaker: Order, please. The hon. member for Cape Breton-East Richmond.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, with all respect to the answer that may be provided by the Prime Minister, he has already indicated that he does not understand the situation, and on the question of privilege I thought I would just draw his attention—

Mr. Speaker: Order, please. The hon. member knows that on a question of privilege he should indicate how his personal privileges or the privileges of the house have been affected.

Mr. MacInnis (Cape Breton-East Richmond): Well, I could be wrong, but in my opinion the privileges of the house have been affected.

Mr. Trudeau: Don't be so modest.

Mr. MacInnis (Cape Breton-East Richmond): When we think back to the performance of the Prime Minister on Saturday afternoon, he has a lot to be modest about.

Mr. Speaker: Order. I wonder if I could seek the co-operation of hon. members. We are now in the question period and it seems to me hon. members should be asking questions. There was a valid question asked in the first instance which evolved into a question of privilege, and now there is a further question of privilege. There are still many members in the house who would like to ask questions about this and other subjects. I will recognize the right of the hon. member for Cape Breton-East Richmond to raise a question of privilege, but perhaps it might be better if we were to allow the Prime Minister to reply to the hon. member's question. Then he may have a further supplementary question.

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

Mr. Trudeau: I think the answer to the hon. member's problem, Mr. Speaker, may be that there was a reference to mining rights which belong to the provinces, and which under the arrangement we propose would continue to belong to the provinces. The member knows that the resource administration lines we propose to draw are well within federal territory, well offshore from the low water mark. Any such mines as do exist at present in the maritime provinces would be well inside the lines which we propose to draw, leaving the administration on the landward side of these lines to the provinces and leaving also the revenues from these resources entirely to the provinces.

Mr. Eldon M. Woolliams (Calgary North): I have a supplementary question which I should like to direct to the Prime Minister. Has there been any negotiation or consultation with the provinces prior to making this statement, to see if they approve or will negotiate on the formula which the Prime Minister outlined today?

Mr. Trudeau: No, Mr. Speaker, there has been no special communication of that nature with the provinces. Once again we took the position that, certainly in the case of the province of British Columbia, we were drawing lines well within the territory which was allocated to the federal government, and therefore we were leaning in favour of the provincial side. We felt we were giving more to the provinces than the court obliged us to do in this particular case. We followed the same principles, as I just indicated in answering a previous question, in drawing the resource administration lines in the case of other provinces, keeping always well on the outside of what might be interpreted to be historically provincial seas or waters. It is for this reason we are trying to avoid litigation, by being as generous as possible even with territorial seas which normally might be suspected, under international law, to be federal. We hope, by avoiding litigation, to advance this whole question much more quickly for the benefit of all the people of Canada.

VOCATIONAL AND TECHNICAL TRAINING

PAYMENT OF SUBSISTENCE ALLOWANCES DURING HOLIDAY SEASON

On the orders of the day:

Mr. A. P. Gleave (Saskatoon-Biggar): I should like to direct a question to the Minister of Manpower and Immigration of which I have given him notice. I am informed that some students attending retraining schools under manpower assistance programs are not to be paid their regular living allowances during the Christmas holiday season if the school is closed during that period. Would the minister tell the house what his department is planning to do to rectify this situation, which will leave many people without the means to exist for a two week period of time?

Hon. Jean Marchand (Minister of Forestry and Rural Development): I will take this question as notice.

AGRICULTURE

INQUIRY AS TO REPORT OF TASK FORCE

On the orders of the day:

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): I have a question I should like to direct to the Minister of Agriculture, but in his absence I will direct it to the acting minister. Can the minister indicate when the long overdue report of the agricultural task force will be tabled in the house?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, the Department of Agriculture is not expecting to be answering questions before Wednesday of this week.

Mr. Stanley Knowles (Winnipeg North Centre): I rise on a question of privilege, Mr. Speaker. We have had two questions now which raise serious doubts about this practice the government has been following. A question was asked of the Minister of Manpower and Immigration, who was absent—oh, my point is going to be destroyed because he is now returning to the house. However, the question was taken as notice. Now a question has been asked of the Department of Agriculture and we are told that the department is not supposed to be answering questions until Wednesday. There is no such rule, and I think urgent questions should be dealt with.

Mr. Trudeau: On the same point, Mr. Speaker, I would point out that all the members who are on this unnameable roster and who are supposed to be here today are here today. It was by accident that the Minister of Manpower and Immigration happened to leave the house for something, to practise football or something.

Mr. Speaker: Perhaps the hon. member for Saskatoon-Biggar could be allowed to ask the question again.

Mr. Gleave: I am in an embarrassing position, Mr. Speaker, because I cannot recall the exact wording of the question and a messenger has left with the written question. However, I gave notice of the question to the minister several days ago. It has to do with students who are attending manpower training centres. The information I have is that during the Christmas holiday season these students will not be paid their living allowances if the schools are closed for two weeks, which is happening in some cases. I want to know what action is being taken to correct the situation, since obviously the students have to eat and have shelter during that period.

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): I regret my absence for a few moments, Mr. Speaker, which led to the hon. member for Winnipeg North Centre raising a point of order. In point of fact, however, I was telephoning attempting to service a request from one of his colleagues. I will try not to do that in the future.

Mr. Knowles (Winnipeg North Centre): I did not arrange that.

Mr. MacEachen: In reply to the question, we are attempting to deal with this problem wherever possible by having the courses run during this period so that students will be in receipt of training allowances. We think this is the best way to overcome this particular problem.

Mr. Gleave: I have a supplementary question. Certainly the student to whom I was talking said the students would be quite satisfied with this solution. In the event the schools close down, however, will the minister say what action will be taken to ensure that the students do not suffer deprivation?

Mr. MacEachen: I think the best possible long term solution to this problem is to encourage the schools to remain open. If we take any other action we are likely to discourage that.

Inquiries of the Ministry

Mr. David Orlikow (Winnipeg North): In view of the fact that the decision as to whether the schools remain open is not made by the students but by the school administration and teachers, and in view of the fact that the students have to eat whether the school is open or not, could not the department make an arrangement to permit students to be paid their living allowances so they will not be penalized if the schools close?

TELEVISION

INQUIRY AS TO LEGISLATION ON EDUCATIONAL BROADCASTING

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): I have a question for the Secretary of State. We welcome the hon. gentleman back to the house following his sortie into South America. Will the Secretary of State tell the house when legislation proposing the establishment of a Canadian educational broadcasting agency can be expected to be introduced?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I cannot give a definite date, as the hon. member will no doubt understand, but we are doing our utmost so that this legislation can be introduced in the house this session and, if possible, early in the coming year.

[*English*]

Mr. Dinsdale: A supplementary question. Can the Secretary of State inform the house when the report of the special task force might be received?

[*Translation*]

Mr. Pelletier: It is expected that the work will be completed early in June, according to our calendar. However, that calendar is far from definite, because the task force has barely gone to work. The final and complete report would therefore be submitted early in June.

But, once again, I repeat that there is nothing definite about that calendar and other difficulties might arise in addition to those already expected. However, the legislation would be ready to be introduced in the house before the end of the work needed to set up the educational television broadcasting agency.

[*English*]

Mr. Stan Schumacher (Palliser): A supplementary question, Mr. Speaker. Could the minister tell the house with which provinces the task force has been in communication, in particular whether it has been in communication with the province of Quebec and, if not, why not?

[*Translation*]

Mr. Pelletier: Mr. Speaker, contacts have been established at various levels, and that is why the hon. member's question would require a properly shaded answer.

In most of the provinces, contacts were established at the official level; in other provinces, it was at the level of the Minister of Education.

Therefore, I would rather take the hon. member's question as notice to see, first, whether the provincial authorities with which we have been in contact agree to the proposition that these contacts be disclosed in the house. Only then would I want to give a detailed report.

[*English*]

Mr. Dinsdale: A further supplementary question, Mr. Speaker. Would the Secretary of State inform the house whether he has invited the provinces to name permanent members to the task force studying educational television, as was suggested to him on October 24?

[*Translation*]

Mr. Pelletier: No, we have not taken any steps in that direction, Mr. Speaker. However, I may say that the setting up of that task force includes two stages and that we are now considering the first stage.

It is not impossible that during the second stage we would consider the proposal made in October.

Mr. André Fortin (Lotbinière): Mr. Speaker, I have a supplementary question.

When the honourable Secretary of State speaks of consultations with the provinces at various levels and says that his reply must be shaded, can he tell the house whether, with regard to Quebec, the last statements of the Quebec premier are going to alter the type of consultations to be held between Ottawa and Quebec with regard to educational television?

Mr. Pelletier: Mr. Speaker, since my return I have unfortunately been unable to read, in its entirety, the speech of the Quebec premier in this regard. I have only read the accounts in the press. However, I have the document here on my desk and I shall be able to give the member a reply only when I have read the speech itself.

However, I shall only be able to reply with regard to the attitude of the federal government, because that of the Quebec provincial government will obviously be determined by the Quebec premier himself and not by us.

[*English*]

DOMINION-PROVINCIAL RELATIONS

CHURCHILL, MAN.—NEGOTIATIONS ON DEVELOPMENT OF TOWN SITE

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, I should like to direct a question to the Minister of Public Works in regard to the proposals to be made to the cabinet by officials of the minister's department in respect of the development of the townsite of Churchill. Can the minister say whether these proposals have been made available to cabinet and, if not, when the minister thinks they will be?

Hon. Arthur Laing (Minister of Public Works): Mr. Speaker, this will be done almost at once, and I would expect that thereafter we would make good progress with the province of Manitoba.

EXTERNAL AFFAIRS

REPORTED COMMENT BY GERMAN AMBASSADOR ON CANADIAN NATO POLICY

On the orders of the day:

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the parliamentary secretary to the Secretary of State for External Affairs. What explanation, if any, did the minister receive from the West German ambassador to Canada in connection with the ambassador's statement during the course of a recent press conference in Kitchener to the effect that Canada was an enigmatic sphinx in its policy toward NATO?

[*Translation*]

Mr. Jean-Pierre Goyer (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I should like to take the question as notice.

[*English*]

FAMILY ALLOWANCES

REPORTED CONSIDERATION OF ABANDONMENT OF PROGRAM

On the orders of the day:

Mr. Barry Mather (Surrey): Mr. Speaker, I have a question I want to direct to the attention of the Minister of National Health and Welfare. May I also compliment him on his obviously improved health since he has given up cigarette smoking. My question is prompted by today's press reports to the effect that cabinet ministers are considering the advisability of abandoning the family allowance program. Would the minister say whether this is so?

Hon. John C. Munro (Minister of National Health and Welfare): No, Mr. Speaker. The situation, as has been announced now several times, is that this program, like all other programs involved in the social welfare field, is under review. There is no suggestion of abandonment or otherwise of any programs at this stage.

[*Translation*]

VOCATIONAL TRAINING

REPORTED REGIONAL LIMITATION ON NUMBERS ACCEPTED

On the orders of the day:

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to direct my question to the hon. Minister of Manpower and Immigration.

Considering the seriousness of unemployment and the fact that, when putting an end to the winter works program the government had announced the establishment of an intensive retraining plan, could the minister tell us whether the number of persons entitled to take advantage of retraining courses is limited in any way to a certain number in a given region, or can all those qualified be accepted?

Moreover, has a certain age limit been set?

[*English*]

Hon. Allan J. MacEachen (Minister of Manpower and Immigration): Mr. Speaker, the question is a very complicated one and to answer it in detail would require a good deal of time. However, let me say that we have increased very substantially funds for training in the province of Quebec. Just recently the Prime Minister notified the premier of Quebec that an additional sum of money in the millions of dollars was available for additional training in that province. We believe that the work we are doing in the training field will be more effective in coping with the problem of unemployment than the former winter works program.

[*Translation*]

Mr. Lambert (Bellechasse): I should like to ask another question, Mr. Speaker.

Inquiries of the Ministry

Mr. Speaker: Order. As I already told the hon. member last Friday, this question is out of order. I was reluctant to interrupt him today, but if he thinks the question should be discussed further, I suggest he could do so later, at the time of adjournment.

[*English*]

INQUIRIES OF THE MINISTRY

On the orders of the day:

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Minister of National Defence. Now that the views of the Postmaster General in connection with our participation in NORAD and NATO have been clarified and placed on *Hansard*, will the minister seize the earliest opportunity to state his views?

Mr. Speaker: Order. The hon. member will recognize that the question as asked is not perhaps entirely in order.

Mr. Baldwin: Then, Mr. Speaker, might I ask the Secretary of State, in the interests of participatory democracy, if he would use his good offices with the national networks to arrange a debate between the Postmaster General and the Minister of National Defence?

Mr. Speaker: That question tends to be argumentative.

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I should like to direct a question to the Prime Minister. Can the Prime Minister inform the house whether Coach Vic Chapman is still on his personal staff after the two-yard kick-off on Saturday?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I am glad I have given the opposition something to play football with, apart from ideas. It is time they realized—

An hon. Member: Here comes the lecture.

Mr. Trudeau: I have sent Mr. Chapman to exile out in British Columbia.

ADMINISTRATION OF JUSTICE

REQUEST FOR INQUIRY INTO ORGANIZED CRIME AND FRAUDULENT BANKRUPTCY

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Solicitor General and arises from the reference in the press today to the vast upsurge in bankruptcy frauds in the province of Quebec, now numbering some 60 per cent of all bankruptcies in Canada. Because of the relationship between bankruptcy frauds and other illicit activities of organized crime, as outlined by Montreal police officials, will the Solicitor General use the powers conferred by the Bankruptcy Act to launch an inquiry into this unsavoury facet of organized crime?

Hon. G. J. McIlraith (Solicitor General): Mr. Speaker, I shall be glad to take the right hon. gentleman's suggestion under consideration, but I should point out to him that if he will check the evidence given before the justice committee on this subject very recently in connection with the activities of the fraud squad of the Royal Canadian Mounted Police he will find some rather encouraging reports.

Mr. Diefenbaker: I have read that. I am asking whether the Solicitor General, who always looks after his department, would care to get in touch with the government of Quebec with a view to doing something to prevent the increase in crime that this country is now experiencing?

Mr. McIlraith: Mr. Speaker, I was seeking to point out that a great deal is being done to prevent the increase in crime, and it is being done in very close co-operation with the province of Quebec. In any event, I will take the suggestion of the right hon. member under consideration.

EXTERNAL AFFAIRS

APPLICATION OF OFFSHORE MINERAL POLICY TO ST. PIERRE AND MIQUELON

On the orders of the day:

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Prime Minister. In view of the Prime Minister's statement on motions today, can he say whether the government has had discussions with the French government regarding the sovereignty of the islands of St. Pierre and Miquelon with respect to the matter of offshore mineral rights?

Right Hon. P.-E. Trudeau (Prime Minister): Yes, Mr. Speaker. Negotiations have been going on for a great many months with a view to reaching some solution satisfactory to both countries.

Mr. McGrath: A supplementary question, Mr. Speaker. Are those negotiations about to reach a satisfactory conclusion so far as Canada is concerned?

Mr. Trudeau: Well, Mr. Speaker, I can only say that if they are not satisfactory so far as Canada is concerned they are not about to reach a satisfactory conclusion. I do not mean to evade the question. I just mean to say that the discussions are very difficult and they are not near to conclusion so far as we are able to see.

Mr. Lloyd R. Crouse (South Shore): I have a supplementary question for the Prime Minister, Mr. Speaker. In implementing newly announced government regulations with respect to offshore mineral rights will the government also be implementing the Territorial Sea and Fishing Zones Act which was passed in 1964?

Mr. Trudeau: Mr. Speaker, I must emphasize that the two questions are completely unrelated. I cannot guarantee that the solution of one will accelerate the solution of the other.

Mr. Crouse: Mr. Speaker, with all deference I submit that the questions are directly related since St. Pierre and Miquelon oppose the implementation of the 12-mile limit. In any event, will the Prime Minister take this question under consideration when reviewing the matter?

COMMONWEALTH CONFERENCE

PERSONNEL OF DELEGATION TO ACCOMPANY PRIME MINISTER

On the orders of the day:

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my question is for the Prime Minister. In view of the widespread interest in the composition of the delegation to accompany the Prime Minister to the forthcoming prime ministers conference, may we have a general outline of the various functions these individuals accompanying the Prime Minister will perform?

Mr. Speaker: Order, please. I have the impression that that question should be placed on the order paper. As the hon. member knows, if there is urgency to the question it may be debated at the time of adjournment tonight.

[*Translation*]

CANADIAN BROADCASTING CORPORATION

QUEBEC—COVERAGE GIVEN TO POLITICAL PARTIES

On the orders of the day:

Mr. André Fortin (Lotbinière): Mr. Speaker, I wish to put a question to the Secretary of State, but before I would like to make a correction.

Now I would like to ask the Secretary of State to tell us what has become of the report which he promised about the policy of the C.B.C. and its application concerning the allotment of time to political and non-political movements or other movements. Is the report now ready to be tabled?

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I admit that I do not know which report the hon. member is speaking about. Reference was made to an answer to a question put on the orders of the day. I know nothing about the report mentioned by the hon. member.

Mr. Speaker: Order, order. The hon. member could perhaps get in touch with the minister to elucidate the matter.

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

As for the answer of the Secretary of State—

An hon. Member: You cannot speak about something when you do not know about it.

Mr. Fortin: Mr. Speaker, an hon. member has just said that one cannot speak about something when one does not know about it. I think that it is not up to him to judge and that it would be advisable for government members to agree among themselves, as we like to say, in order to give intelligent answers.

The right hon. Prime Minister has already promised to the hon. member for Témiscamingue (Mr. Caouette) to have a study made on that subject. Later on the hon. Secretary of State undertook to have an inquiry conducted into that matter. The hon. member for Témiscamingue placed on the order

paper questions which were answered; however, the broadcast time granted by the C.B.C. during the last convention of the Ralliement Créditiste, compared to that of the Parti Québécois—

Mr. Speaker: Order. Would the hon. member indicate what is essentially his point of order.

Mr. Fortin: Certainly, Mr. Speaker. Later on, as a follow up to the answers given to the question of the hon. member for Témiscamingue, I asked the hon. Secretary of State to inquire into the policy followed by the corporation with regard to the broadcast time granted to political, apolitical or other movements. It is then that the hon. minister rose—and the *Debates of the House of Commons* can prove it—to promise me that inquiry. That is what I am referring to, Mr. Speaker, and I think that the statement just made by the hon. Secretary of State is totally unacceptable and shows the lack of responsibility of this government.

[*English*]

INDUSTRY

PROVISION OF INCENTIVES IN MARITIME AREA

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I have a question for the Minister of Forestry and Rural Development. When will we obtain additional information about the proposed new legislation on industrial incentives in the maritimes?

Hon. Jean Marchand (Minister of Forestry and Rural Development): Mr. Speaker, it will take a few months.

Mr. Bell: A supplementary question, Mr. Speaker. In view of that answer, will the minister say that no industries applying for assistance in the transitional period will suffer, because that does not appear to be the case at present?

Mr. Marchand (Langelier): Mr. Speaker, nobody is going to suffer in the meantime.

Mr. Bell: Well, we are suffering.

HOUSE OF COMMONS

ATTENDANCE OF MINISTERS DURING QUESTION PERIOD

On the orders of the day:

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I direct a question to the

Prime Minister. I draw his attention to this matter in order to be helpful to him and to other hon. members. I do not wish to refer to any unmentionable document, but would the Prime Minister note that under present arrangements no cabinet members answering for trade, commerce, agriculture or the Canadian wheat board are in the house on Mondays or Tuesdays? That means that between Friday and Wednesday there is a period of 96 hours in which no hon. member can obtain information about these subjects. Is it possible to arrange matters so that ministers answering for the fields I have mentioned may be in the house on Mondays or Tuesdays?

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I am sure the house leader on the government side would be delighted to sit down with the house leaders of the other parties and arrange a roster which is acceptable to them.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, originally my question was for the President of the Privy Council but I wish to direct it now to the Prime Minister. Bearing in mind the fact that a number of ministers of the crown, by their own admission, are disturbed because they are not allowed to attend proceedings of the house on their days off, can the Prime Minister say what action he proposed to take in this regard?

Mr. Speaker: Order, please. I have serious doubts about that question.

Mr. Lundrigan: Perhaps I should indicate to the house that this is a matter which has come to my attention and there is evidence to substantiate the fact that a number of ministers are disturbed by the fact that they are not allowed to attend the proceedings of the house on their days off. They want to attend.

Some hon. Members: Shame.

DIVORCE

EXTENSION OF JURISDICTION TO COUNTY AND DISTRICT COURTS

On the orders of the day:

Mr. Stan Schumacher (Palliser): Mr. Speaker, on Wednesday, November 27, I asked the Minister of Justice a question about the backlog of divorce petitions building up. I took too long in asking the question to arrive at facts. Since we are not so rushed now I wonder whether the minister can say whether county and district courts will be allowed to work on

this backlog in order that these divorce petitions may be dealt with expeditiously?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, we are, of course, reviewing the situation closely. The initiative in this respect, following the constitutional division of powers with the administration of justice lying with the provincial attorneys general, would have to come from that quarter. If it did, we should be only too happy to try to achieve better court procedures.

EXTERNAL AFFAIRS

PORTUGAL—PROPOSED AMNESTY FOR POLITICAL PRISONERS

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I wish to direct my question to the parliamentary secretary to Secretary of State for External Affairs. In the light of Canada's recent vote in the United Nations condemning mildly Portugal's colonial policies and in light of the recent change of régime in Portugal, will the government of Canada take advantage of this opportunity to indicate to the government of Portugal that friendship between our two countries, which is so much to be desired, could be best based on a mutual respect for the rule of law and fundamental human rights, which might be evidenced by the granting of an amnesty to Portuguese political prisoners?

Mr. Speaker: Order, please. The hon. member is making a suggestion to the parliamentary secretary. I doubt that he is really asking a question.

AIR CANADA

CONCILIATION BOARD REPORT ON DISPUTE WITH EMPLOYEES ASSOCIATION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Minister of Labour whether he is now in a position to answer the question I put to him on Friday as to whether or not the government has received the report of the conciliation board dealing with the disagreement between Air Canada and the air line employees association? I might also ask whether the board has resolved the differences between the parties.

Hon. Bryce S. Mackasey (Minister of Labour): Mr. Speaker, I did receive the report on Friday. The board was not successful in resolving the differences.

OLD AGE SECURITY

REQUEST FOR ISSUANCE OF CHEQUES BEFORE CHRISTMAS

On the orders of the day:

Mr. R. E. McKinley (Huron): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Would it be possible for old age security cheques to be sent out before Christmas this year in order that people might receive them in time to have a better Christmas?

Hon. John C. Munro (Minister of National Health and Welfare): It is very unlikely, Mr. Speaker. This situation has come up many times, as the hon. member knows, and it has been found that there are many disadvantages to complying with the proposal.

CANADIAN BROADCASTING CORPORATION

SASKATOON—REQUEST FOR TELEVISION OUTLET

On the orders of the day:

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I should like to direct this question to the Secretary of State. In light of the request recently made by the council of the city of Saskatoon that consideration be given to providing a C.B.C. television outlet in Saskatoon, will the minister inform the house whether the C.B.C. intends to act on this submission?

Mr. Speaker: I suggest that the hon. member should place his question on the order paper.

EXPROPRIATION ACT

INQUIRY AS TO DRAFT OF NEW BILL

On the orders of the day:

Mr. John Gilbert (Broadview): Mr. Speaker, my question is addressed to the Minister of Justice. Has the draft bill for the new expropriation act been drawn up by the government and, if so, when will it be introduced in the house?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, we have encountered certain difficulties in processing all the draft legislation going through the legislative section of the Department of Justice. I expect that the draft bill should be available for parliament when it reassembles in January.

Supply—Industry

SUPPLY

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

DEPARTMENT OF INDUSTRY

1. Departmental administration, $12,495,330.

The Chairman: House in committee of supply, revised estimates of the Department of Industry, Trade and Commerce for the year ending March 31, 1969. Order. I should like to revise that statement. Apparently it is the estimates of the Department of Industry only.

Some hon. Members: Carried.

Mr. Hales: Does the minister not intend to make some introductory remarks before we proceed?

Mr. Pepin: I was waiting for an invitation!

An hon. Member: You look so relaxed.

Mr. Pepin: In a number of situations I have learned that silence is the key to success.

An hon. Member: You should tell the opposition that.

Hon. Jean-Luc Pepin (Minister of Industry): Mr. Chairman, since the creation of the Department of Industry in 1963 the department has introduced numerous programs to assist Canadian industry in increasing its productivity and expanding its output. These programs have made industry more competitive and have contributed appreciably to the success of the manufactured products sector of Canadian exports. Indeed, during the past five years Canada's exports of manufactured products have increased fourfold and now account for about 34 per cent of total exports.

It is interesting to observe the growth of the manufactured products sector of Canadian exports. In 1958, it amounted to 13.2 per cent; in 1963, to 15.4 per cent, in 1967, to 31.2 per cent and this year to about 34 per cent. As a result, exports of processed manufactured products now make up nearly three-quarters of total Canadian exports. Furthermore, some of the greatest gains in expanded production and increased exports have been in the more sophisticated product lines.

A few moments ago I was reading a paper on the subject of productivity. Canadian manufacturing compares favourably, the paper said, with that of most countries, but productivity in the United States is still more than 30 per cent higher than in Canada. However, Canada has been successful in

[Mr. Turner (Ottawa-Carleton).]

reducing this productivity gap. While productivity in United States manufacturing has increased by some 80 per cent over the post-war period, manufacturing productivity in Canada has more than doubled. The narrowing of the gap was continued during the last decade during which Canada reported a 43 per cent increase compared with 36 per cent in the United States. Apparently the gap is still about 30 per cent for the whole industrial sector. Hon. members will no doubt understand the importance of reducing this gap as much and as fast as possible, since this is a major determinant in international competitiveness and consequently a major factor in the success of Canadian exports.

Canada has improved its production and export performance, as I have indicated, in a number of product areas such as electronic equipment, aircraft and aircraft components, and this improvement is directly attributable to special arrangements and programs in which the Department of Industry has played a leading role.

May I now tell you a few things, Mr. Chairman, about the automotive industry program. Substantial progress has been made toward the attainment of the objectives of the 1965 program. By 1968 the production of passenger vehicles had increased by 29 per cent and commercial vehicles by more than 129 per cent, over the levels for 1964, the year immediately preceding implementation of the program.

The surge in trade has been even more spectacular. In 1964 Canada exported automotive products valued at $136 million. By the model of 1968 the export of such products amounted to a value exceeding $2 billion.

• (4:00 p.m.)

Of course imports have also risen but the trade imbalance in automotive products, which had been growing rapidly in previous years, was reduced for the first time in 1966, and it will be further diminished in 1968. The projection for 1968 indicates that the imbalance may be about $364 million world wide, $350 million of that with the United States. When one compares that figure with the figure of $683 million for 1966 and $547 million for 1965, one easily realizes the tremendous progress which has been made.

Average levels of employment in the automotive industries have also increased during the life of the program, from a monthly average of 68,000 in 1964 to about 80,000 people in 1968.

An appreciable amount of rationalization of production has taken place both in the assembly of vehicles and in the manufacture of parts. Although total production of motor cars has increased appreciably, the number of car makes, body styles and models assembled in Canada has been reduced considerably. This was a condition of the success of the over-all operation.

Productivity has also improved in the automotive industries. Traditionally productivity in the Canadian automotive industries has been well below that of the United States. The trend to a greater variety of models and styles intensified this problem for Canadian producers, but under the new program, with a bigger output of fewer models, it has been possible to achieve greater specialization and, consequently, greater productivity. During the period 1961 to 1963 the average annual increase in productivity was 5 per cent with respect to vehicles assembled in Canada. From 1965 to 1967 this annual increase reached 8 per cent, and so it is estimated that the productivity gap between Canada and the United States in the automotive field has now been reduced to about 20 per cent. This is obviously still too high, and efforts will be made by all concerned to reduce it further.

The success of the over-all operation was not entirely painless. In order to take advantage of these production and trade opportunities many parts manufacturers have found it necessary to undertake major re-equipment and expansion programs. Smaller manufacturers in Canada have always formed an important part of the automotive industry. These firms wished to play a role under the automotive program, which was designed in several specific ways to take their interests into account. For them the Department of Industry introduced the automotive adjustment assistance program to ensure that they would be able to obtain adequate financing on reasonable terms in order to modernize and re-equip their plants. This program provides for loans to automotive parts manufacturers and suppliers of materials, accessories and tooling used in the automotive industry. The repayment period of a loan made under this program is related to the borrower's capacity to repay and the circumstances of the loan, and may extend over a period of up to 20 years.

Since the initiation of the program 68 loans valued at $55 million have been made to assist Canadian automotive producers to expand their operations and make them more efficient, and 17 other cases are presently under investigation.

Also, in order to reduce the costs of Canadian automotive parts makers and thus improve their ability to compete for North American markets, a program has been initiated by the department to remit duties on imported production machinery and equipment which are not available from Canadian producers within the time needed to meet production schedules. In order to keep hon. members informed of the growth of this program, I might indicate that my information to April 29, 1968, shows that 170 applications have been received and remissions of $2.9 million have been granted. My latest figures with respect to the amount of remissions show $3.24 million in remissions on machinery imported into Canada. This is so much expense that the producers did not have to meet.

Many Canadian parts manufacturers are now supplying not only the domestic markets but are shipping substantial quantities of components to export markets.

I know, Mr. Chairman, that you are quite aware of the importance of the Kennedy round of tariff negotiations, and you may like to know that the Department of Industry has been involved in developing programs in order to make it possible for Canadian manufacturers to take advantage of all the possibilities afforded by the Kennedy round.

The first program I would like to mention is the general adjustment assistance program, which was announced in March, 1968, very recently, relatively speaking. In circumstances of freer world trade it was essential that Canada's secondary industry should develop greater competitive strength. This situation directed that the major objectives of industrial adjustment policy should be, (a) to derive as much benefit as possible from widening markets and increasing scope for greater specialization and longer production runs, and (b) to assist firms adversely affected to adapt effectively to more competitive conditions. These are the purposes of the general adjustment assistance program.

The first feature of the program is the offer, by the Department of Industry, of insurance on the major share of the risk of loss on adjustment assistance loans made by private lenders. The second feature is the offer of direct loans to firms that have been seriously injured, or threatened with serious injury, as a result of reductions in the Canadian tariff, and which are unable to borrow the funds they require from the private sector under the insured loan program. The

third feature of the program is the offer of technical and professional advice to firms. The department will share the cost of such consulting services with the firm to the extent considered appropriate in each case, but the department's share will not exceed 50 per cent.

These are the three features of the general adjustment assistance program. Again, one is insurance of loans made by the private sector, the second is direct loans, and the third is technical assistance.

To date 377 inquiries have been received, 90 per cent of which have been for insurance of private loans and 10 per cent for direct loans. A total of 80 cases are under direct study, two have been approved and one has been rejected.

It is estimated that in the next five years insured loans totalling half a billion dollars and direct loans totalling $45 million will be made under this program. Requirements for consulting grants are expected to amount to $5 million in the same period. For 1968-69 we are asking spending authority for direct loans and consulting grants in the amount of $10 million—that is vote L75—and $1 million under vote 3.

[*Translation*]

I would now like to say a word about another program of the Department of Industry, arising from the Kennedy Round, the machinery program. It is an extension of what I said earlier about the machinery program within the framework of the Canada-U.S. automotive agreement.

This program, which is defined by tariff item 42700-1 and came into force on January 1, 1968, has a twofold objective. Its first purpose is to promote greater efficiency by enabling the industry to get production equipment at the lowest possible prices. Secondly, it enables the Canadian machinery industry, that is machinery producers, to make the best possible use of the rate which, in the future, will apply with more certainty to the products they make.

Allow me to explain, Mr. Chairman. The main aspects of that program are twofold. First, it will set up a single tariff for imported machinery. Those duties which until now could reach 22½ per cent are now set at 15 per cent for the countries enjoying the most favoured nation status and at 2½ per cent for those enjoying the British preferential tariff. All those tariffs which varied so much previously have been reduced to a single tariff of 15 per cent.

It will be recalled that previously Canadian machinery producers had to prove that they were in a position to meet 10 per cent of local consumer needs before getting that protection. They no longer have to prove that; now, once again, they are automatically protected, and by a single tariff.

The second aspect of that program is a provision allowing for the remission of customs duties by the governor in council, upon the recommendation of the Minister of Industry, when such machinery is not made by Canadian producers and such remission is in the public interest. That is, I think, a happy compromise between the interests of the buyer-importer, that is the man who needs the machinery to produce other things, and the interests of the Canadian machinery producers.

It is impossible, in fact, to produce in Canada all the equipment needed by our industry. The needs are too varied and very often machinery producers in other countries have developed special machines and it would not be very economic for us to try to compete. Therefore, that equipment not produced in Canada enters the country duty free —because of that program and in the best interest of the buyer, the Canadian industrialist and also, I think, the Canadian public.

On the other hand, if a Canadian company produces that type of machinery, its market is reasonably well protected. I feel this is an excellent compromise between the interests of the manufacturer, who needs equipment and must pay as little as possible for it, and those of the Canadian machinery producer. That is the compromise the legislation I have mentioned has put into effect.

The program applies to approximately 60 per cent of the $700 million worth of annual imports in that field. One can see therefore that the program will cost the receiver general, in losses, roughly $45 million a year. I feel everyone will admit that this is an excellent piece of legislation.

• (4:10 p.m.)

I should also like to say a few words on the important program on productivity in the defence material or military equipment industry. That program takes in two others: the defence export development program set up in 1964, and the defence industries plant modernization program set up in 1959. You

will find those estimates under votes 5 and L75.

The defence industry production program has four objectives:

First, to reduce the purchase price of military material purchased by the Canadian Department of National Defence for the use of the Canadian army.

Second, to develop, in Canada, an industrial capacity in the field of military equipment, with a view to its benefiting from the international agreements between Canada and its allies in the sharing of military equipment production contracts. As you know, there are agreements between Canada and the States, Canada and England and others the purpose of which is to enable the producers in each one of those countries to benefit from the defence contracts in the other countries.

Those then are the two first aims but it seems that the others are at least as important.

Third, to benefit from the advantages of highly advanced modern technology and administrative techniques, usually inherent in military research and production which are often in the very forefront of the technological and business management development. The program aims directly to allow Canadian industrial sectors to benefit from this progress.

Fourth, to increase progressively civil applications that are directly related to military production and sometimes depend upon it. I believe all members know to what extent progress in the industrial civil field is closely related to the one in the militry equipment field. One very seldom sees an ultra-modern product, ahead of its time in the industrial field, that has not been influenced by defence contracts distributed in Canada or in other countries; this is due to the close relations existing nowadays between the military and civil areas of industrial development. We may not like it, we may deplore it, but it is a fact, if not unavoidable, at least undeniable.

Under such a program, Mr. Chairman, government aid is granted to that industry to enable it to obtain, before any preliminary technical work, the necessary equipment for the production of new products designed in Canada for the world markets.

[*English*]

Among the projects that have received assistance are communications and aircraft navigation systems, gas turbine engines for aircraft, flight safety and simulation equipment, information display facilities, and so on. Since its inception 165 projects have been supported under this program. Expenditures today amount to $148 million. Of the projects supported, some 120 costing $99 million have been completed and are achieving sales. The value of sales resulting from these is expected to reach $2.4 billion during the sales life of the products. There obviously have been a few failures, but there have been a number of success stories in these cases of assistance given by the federal government for the development of the defence industry.

I would have liked to say more about industrial research and development, but the time is getting short. In this field the department has three major programs.

The first is the industrial research institutes program. In December, 1966, the department introduced a plan to assist Canadian universities in establishing and administering industrial research institutes. The basic aim is to draw on university staff and facilities to help alleviate the shortage of scientific and technical resources available to industry as a whole and to provide scientific services to smaller firms which cannot afford to maintain and staff their own research facilities. Grants to four Canadian universities totalling about $475,000 had been approved under the program by the end of the year. For this year we are asking $240,000.

• (4:20 p.m.)

The next program is more important at least in financial terms. It is called the Industrial Research and Development Incentives Act. The initials are IRDIA. That is a name I would not give to my daughter but it describes well, the Industrial Research and Development Incentives Act. This act, dated June 1967, has been providing general incentives to industry for the expansion of scientific research and development in Canada. Under section 70 of the federal Income Tax Act an allowance can be made for deduction of all expenditures of a current and capital nature made for scientific research. Over and above that, under IRDIA, Canadian Corporations are also entitled to apply to the department for a cash grant or for a credit against federal income tax liabilities amounting to 25 per cent of all their capital expenditures for scientific research and development in Canada, and 25 per cent of the increase in their current expenditures in Canada for scientific research and development over the average

of such expenditures in the preceding five years.

Corporations must undertake to exploit the results of their research and development work in Canada and must be free to market products resulting from their research and development to all countries in the world. As of today, December 2, 728 applications for grants totalling $44,500,000 have been received. A total of 318 applications to the value of $8 million have been approved, and we have $31.3 million in the vote for 1968-69.

The last of these programs for industrial research is PAIT, program for the advancement of industrial technology. Under this program the department underwrites the development of new or improved products or processes which involve a significant advance in technology and which offer good prospects for commercial exploitation. The department pays 50 per cent of the development costs. If the project is successful there is an obligation for repayment, but if it is a failure no such obligation exists.

Forty new development projects estimated to cost $8 million were approved in 1968, bringing the total number of projects supported under the program since its inauguration to 160 valued at $44 million.

One interesting detail is that several companies which have successfully completed projects have begun to repay the department's contribution. Another interesting detail is that 22 of these projects were successfully completed. Their cost was $1,400,000 and the sales potential is $95 million in five years. So, for an investment of $1,400,000 we will have a sales potential for these Canadian goods of $95 million. The benefit ratio is rather extraordinary. I cannot say they are all like that, but a good number of them have been.

[*Translation*]

I should like to conclude my remarks by taking a minute or two to talk about industrial design. The improvement of industrial design, or industrial aesthetics, if you prefer, is one of the most important ways there are to make Canadian products more competitive.

To this end, the department has set up several programs of assistance to industry and of consumer information. A sum of $678,430 will be allocated to those programs in 1968-69. I shall mention only some of those programs.

There is the "Canada-Design 67". I should perhaps say first of all that the word "design" is accepted, even in French. This program was undertaken in 1965 in order to promote the manufacturing of Canadian products which could be used for centennial projects. This allowed reference lists on the aesthetic merits of the various products to be drawn up for the use of those who planned the centennial projects.

"Canada-Design 67" catalogues were distributed to many architects, contractors and buyers, as well as to retail salesmen and businessmen, both in Canada and abroad.

In order to stimulate further the sale of these products, a series of Design 67 exhibitions were organized in various centres in Canada and they attracted more than 100,000 visitors. The products which attracted the most attention were also widely publicized in Canadian and foreign newspapers.

During the whole of Expo 67 the Department made a study of products especially conceived for our universal exhibition in order to select those which could best lend themselves to commercial production. This project goes under the name "Design Expo 67." 150 products were selected as worthy of commercial promotion, and catalogues were prepared containing photographs, the name of the manufacturer, prices and other information concerning these products.

The department organized two design competitions, the costs being shared with industrialist associations. The object was to recognize the achievements of Canadian designers by offering prizes to the best works, and publicity to their authors. The Design Canada structural steel competition, designed to reward the authors of remarkable achievements in an original application of structural steel to the construction of buildings and bridges, attracted 62 competitors.

There was another competition for concrete works. I have a long list, Mr. Chairman, but I will spare the details to the house.

The year 1967 has seen the outcome of an important project: the opening of a new Design Canada Centre at Place Bonaventure, in Montreal. Here again, the purpose is to improve aesthetic qualities of products made in Quebec in particular, and in Canada in general. Furthermore, the Toronto Design Canada Centre is stirring an ever-increasing interest among the public; 84,786 people visited it this year as against 46,614 last year. Nine specialized exhibitions have been set up there.

Before closing, I should like to mention the Design Canada service. As one can see, Mr. Chairman, I am trying to advertise a little

these various sectors of my department which have obvious merits. It is a consulting service intended for Canadian industrialists so that they may collect material on matters of design. The Design Canada service includes a reference library, books, periodicals, technical movements, and a repertory of Canadian industrial designers which includes information on the members of the profession and the specialized services in this field.

In the field of design, Mr. Speaker, I have been and I continue to be particularly interested since, in my opinion, if Canadian products do not compete with foreign products as to appearance, in this sector, that is, if they are sturdy and well-made, but inelegant and unattractive, tremendous opportunities for sales, and for exports in particular, will certainly be missed.

These are, Mr. Speaker, some comments on the activities of my department. I could say a lot more but I shall provide now my hon. colleagues with the opportunity to give me some advice.

[*English*]

Mr. Hales: Mr. Chairman, we appreciate the minister's introductory remarks in respect of the estimates of the Department of Industry, but I would much rather he had taken the time to tell us whether there is a Department of Industry, whether his department is industry and trade and commerce, or just exactly where we are in this program of amalgamation or unification. Surely we are out of order to discuss the estimates of the department of industry and trade and commerce because such a department does not exist. We in this house have not passed legislation setting up this department.

Mr. Pepin: Mr. Chairman, Your Honour was very clear in pointing out at my request that we were discussing the estimates of the Department of Industry.

Mr. Hales: I should like to ask the minister whether the Department of Industry is now the department of industry and trade and commerce?

Mr. Pepin: No, we are concerned now only with the Department of Industry.

• (4:30 p.m.)

Mr. Hales: I am still confused. I understand that the Department of Industry has been dismantled and is in the process of being amalgamated with trade and commerce. We have even gone so far as to call it the department of industry, trade and commerce in the blue book of estimates. I am confused on this issue. The minister says we are discussing the estimates of the Department of Industry. This department is being amalgamated with the Department of Trade and Commerce, and the Department of Trade and Commerce has moved from its original building on Wellington Street to the building which housed the Department of Industry. This is the situation as I understand it.

There is great confusion amongst the staff of the two departments. They do not know for whom they work. They do not know how/or where they are being fitted into the new department or program. I also hear there is a problem in fitting in some of the officials who were hired by the Department of Industry at much higher salaries than the prevailing salaries in the Department of Trade and Commerce. When you try to fit such a person into a lower pay schedule it creates a problem which I can quite easily understand.

In 1963 we on this side of the house gave the government of the day our views on setting up a department of industry. We said we thought it was folly and foolish to do so. We thought that the existing Department of Trade and Commerce could do anything the Department of Industry would endeavour to do. We were told that it would not be an expensive operation, that the government would take staff from the Department of Defence Production and the Department of Trade and Commerce and move them to the Department of Industry. However, when you look back on the whole program you see it has been nothing but a great big bill of expense. It has been a tremendous expense to the Canadian taxpayer.

The Department of Industry started in 1963-64 with a staff of 274. The next year that staff jumped to 786, an increase of 512 employees or 200 per cent. That is staff alone. With regard to money, in 1968 the estimates which this house approved totalled $117,586,-000 to operate the Department of Industry. Now it is all being shattered, broken up and moved over to trade and commerce and all this money has gone down the drain. All this could have been saved by just adding to the department of trade and commerce the word "industry" and the taxpayers of this country would have been saved a great deal of money. But they have to pay the tune because the government would not listen to the advice of the Conservative opposition. Be that as it

may, that is what happened and we must move on from there. I hope that the house will soon be advised how this amalgamation is proceeding and what savings will be made as a result of amalgamating industry and trade and commerce.

I will be very brief in my remarks, Mr. Chairman. The minister made many very interesting observations about the Canada-U.S. Auto pact. I thank him for that. He gave us a great many statistics. I know he does not like statistics any more than I do. Nevertheless he had them prepared for him and gave them to us. They will be useful to look back on and read at our leisure. The minister also gave us all the highlights of the Canada-U.S. car pact, but I am still of the opinion I had when the pact was arrived at, namely, that the one fundamental point is that if you lose your economic birthright you lose your political birthright. By giving all these advantages to American subsidiaries in Canada we are handing them our political birthright. I think this is as true today as it was when the pact was instituted.

Another thing the minister and the government will have to sell to the Canadian public before this pact is a success is that the Canadian purchaser can buy a made in Canada automobile at the same price as his American cousin who lives in, say, Detroit. A car is made in Oakville, Canada, and shipped to Detroit, and an American can buy the same car for $200 or $300 less than a Canadian. When Canadians can purchase cars made in this country at the same price as Americans can, we will have proved to Canadian taxpayers that this program has been partially worth while and that they share the so-called benefit which the minister outlined this afternoon.

In addition, Mr. Chairman, we must not forget that at the time the pact was introduced we gave to the car manufacturers over $50 million in tariffs which we had previously collected. We gave this amount of money to the car manufacturers and allowed them to sell Canadian made cars in the United States for less money than we in Canada can buy them. When the Canadian purchaser of an automobile has the same benefit, the minister will have proven that the pact has been somewhat successful.

With the U.S.-Canada car pact came some very good things. I said at the time that there were two sides to every coin and there would be some good and some bad points to the pact. The minister has told us only about the good points this afternoon. He did not say it

[Mr. Hales.]

was responsible for bringing into Canada parity of wages not only in this industry but in many other industries in Canada to which it has spread. There will be many more industries affected as time goes on. The minister did not tell us about the growing number of small industries that have been put out of business. He did not tell us that the large industries have been getting larger and the small ones getting smaller to the point where they had been forced out of business.

Members of the house who had in their ridings small manufacturers of car parts will tell you that these businesses have disappeared. The farther you go from the border, the more you will find they have disappeared. They have been replaced by larger industries which are in turn subsidiaries of American companies. This means there is more control by the United States of the Canadian economy. We have lost more of our political strength when we should be maintaining or regaining it. However, this was the government's decision and we just hope for the best. I might have missed some of the statistics the minister gave, but I think he dwelt more on export figures than on imports. We must remember that a great many cars and trucks have been imported into Canada, which fact offsets many of our exports.

However, Mr. Chairman, we are not here to debate the Canada-U.S. car pact but to study the estimates of the once Department of Industry. The minister says this department still exists. I propose to leave time for hon. members to deal with these estimates. Before we leave the matter of the amalgamation of departments and the setting up of new departments may I tell the committee that I know of a person who came to Ottawa to discuss a problem with the Department of Industry because he believed that department was concerned in his problem. He went to the Department of Industry and they told him it was not their problem and he should go to the Department of Trade and Commerce. He went to the Department of Trade and Commerce and was advised that it was really a problem for the Department of Industry. Finally the problem was settled by the Department of Labour. This man spent the greatest part of a day travelling between departments before he found the right one to deal with his problem. This illustrates the state of confusion that exists in these departments. I hope the situation will be ironed out before too long and that when a manufacturer comes to Ottawa with a problem he will be able to go to the Department of Industry,

Trade and Commerce and find the answer there.

• (4:40 p.m.)

The former minister, now President of the Treasury Board, spent a great deal of time in the house telling us what a wonderful department the Department of Industry was going to be. Last year he said that most of the time had been spent in getting staff and adopting policies and programs, but the whole idea was to increase productivity in Canada. I think it is fair to say that productivity in Canada has not increased to the same extent as it has in other countries of the world. Even with all this expenditure on hiring of experts in the field, the department still cannot come forward and say that productivity has increased in Canada at the same rate as in other countries. This department, therefore, has not produced the results we were told it would in the field of industry.

We have seen many examples of duplication and overlapping. The Department of Industry has sent trade missions abroad and they have bumped into trade missions from the Department of Trade and Commerce. I grant you that they were there on different missions but there was some overlapping. These trade missions were nice junkets for a lot of people but there was a lot of overlapping and expense. The Department of Industry started interfering with the Department of Agriculture by getting into the blueberry business in Nova Scotia. This was the business of the Department of Agriculture, but they got into it. The Department of Industry got mixed up with other departments such as the Department of Labour and the Department of Trade and Commerce. The whole situation became confused.

I am told that now the Department of Industry will be amalgamated with the Department of Trade and Commerce and these difficulties will be overcome. I hope that the amalgamated staff of the department of industry, trade and commerce will be no larger than it is now so that a lot of this waste and extravagance will be eliminated. I should mention, too, that I feel the programs under PAIT and the general assistance loan in connection with the Kennedy round have been very good ideas. I believe a lot of assistance has been given to industry in connection with their various problems in this field. The department has done a good job in this area but that job could have been done by the Department of Trade and Commerce; we did not need the Department of Industry.

The minister did not say anything about the matter of grants which, according to the blue book, this year total almost $2 million for this department. A lot of these grants are for science research. Where are we going with these grants in the field of science? Why is aid being given by this department instead of through the science secretariat or council which directs all government science research? There is a great amount overlapping in the giving of grants to various universities, grants to this and that in the field of science. I feel these grants should be handled by a central board.

The minister did not mention the establishment of a national standards association. I happened to read in the Ottawa *Journal* for October 11 that the government was moving to set standards for goods. The article stated the federal government was preparing legislation to set up a council for the national coordination of standards in sizes, shapes and the general performance of Canadian goods. I understand that this council has been practically set up so far as staff are concerned and is functioning. One of these days the minister will come to the house and ask us to pass legislation to set up this council; yet it is already in operation. The article states also that officials hope the council will be off the ground within 12 months, but this will depend on getting legislation put before parliament early in 1969. Why put the cart before the horse? Why does the government not come to the house to get legislation passed and thus ascertain whether or not we approve of a national standards council for goods? If the house agrees, that is fine and the government can go ahead and set up this agency. However, the government should not ask us for $80,000 in the estimates to set up this council and then come back and ask us to pass legislation approving it.

We have been through this business so often. We have had instant departments and ministers. I do not mind instant coffee or instant tea but I do not like these instant departments that are set up. We have had other examples of this procedure. In fact, we are discussing estimates which appear in the estimate book under the heading "Department of Industry and Trade and Commerce", but there is no such department at the moment. I say to the minister and members of the government that they should introduce legislation so that we can discuss it, and if we are satisfied we will pass it. Then we will give the government the money to run the department. Now the government asks for the

money to run the show and then comes back to ask us if it is all right.

The same thing was done by the department of manpower in connection with the adult training program. The program was in operation throughout the country before we passed the bill establishing it. I know I am rather off the subject when I mention manpower and adult training, but all hon. members know what a great shemozzle that was in this country. There still is a great deal of confusion connected with this training program. With these few observations I will conclude my remarks. No doubt there will be many questions to be asked as we consider these estimates.

Mr. Orlikow: Mr. Chairman, as I listened to the Minister of Industry, Trade and Commerce extol the virtues of the Canada-United States auto pact I was reminded of the words of the former minister of industry when he proposed the plan. It seemed to me that, although this minister is a French Canadian and the former minister is an English Canadian, really the more things change in a Liberal government the more they are the same. We have had an explanation of this plan which reminded me of the famous maxim of Mr. Charles Wilson when he was secretary of defence for the United States. Mr. Wilson had been president of the General Motors Corporation. On one occasion he said, "what is good for G.M. is good for the American people". As I listened to the minister I could not help but think that the minister really had the same view, that what is good for the auto companies of Canada must be good for the Canadian people. Certainly that is not entirely true.

• (4:50 p.m.)

I remind the minister and members of the house that the purpose of the auto pact was to provide free trade, not for you, Mr. Chairman, or for me or other buyers of automobiles in Canada but for the giant automobile companies in the United States and their mouse partners in Canada. It enabled them to rationalize their production to the extent that they could exchange automobiles and automobile parts without paying the customary duty. What the minister did not tell us this afternoon was that the sweetener that the Canadian people gave these poor automobile companies like General Motors, Ford and Chrysler, who between them own billions of dollars worth of assets in the United States, Canada and other countries in the world, was $50 million in tax revenue as an inducement to enter this pact.

When the pact was first proposed the then minister told the Canadian people that one of the results of the pact would be a reduction in automobile prices in Canada to the extent that the price in Canada would approximate that paid in the United States for the same automobile. For many years we were told that automobile prices in Canada had to be substantially higher than prices in the United States because the market in Canada was much smaller, the production run for individual models was smaller, and therefore productivity was lower and automobiles cost more. The minister has already said that as a result of the pact the industry has been rationalized to a large extent and the number of models manufactured in Canadian factories has been cut sharply. There is a flow from Canada to the United States which has made productivity in both Canada and the U.S. increase.

When he introduced this pact the former minister of industry, now President of the Treasury Board, in a statement on January 15, 1965, dealing with the effect of the pact on the cost of automobiles had this to say:

> Of significance for the Canadian consumer is the fact that over several years, the plan should progressively make possible increased efficiency and reduced costs. Indeed, this is one of the principal objectives of the entire program. In line with the attainment of lower costs of production, it is to be anticipated, as the program develops, that the forces of competition will gradually result in savings for Canadian consumers in the form of a narrowing differential between Canadian and United States prices for motor vehicles and components.

It was not only the opposition members of parliament who took the minister seriously, Mr. Chairman. The Vancouver *Sun*, a newspaper that members from British Columbia will know better than I to be a supporter of the Liberal party, published an editorial in its edition of April 14, 1965, from which I should like to place on record one or two sentences:

> Among other things, Mr. Walter Gordon's forthcoming budget will have to defend the Canadian-American free trade deal in automotive products. It can be easily defended if it means that automobile prices will soon fall. If they don't, the deal is quite indefensible.

Then the Winnipeg *Free Press*, published in my own city, made this comment in its issue of April 17, 1965.

> A much larger question now faces the Canadian government as a result of the free trade deal. It is whether this ostensibly constructive agreement will do any good for the Canadian consumer or whether it will benefit only a few rich automobile manufacturers.

These comments were made two and a half years ago, Mr. Chairman. What is the position today? The hon. member for Wellington who has just resumed his seat referred to the fact that even making allowance for the price differential between Canada and the United States and the different government taxes, both federal and provincial, cars produced in Oakville and sold in Buffalo are cheaper than the same models sold in Toronto. Therefore we must ask ourselves how this is possible. Either the Ford Motor Company is selling in Buffalo cars produced at Oakville at a loss—and I do not think that even the Minister of Industry, Trade and Commerce believes that—or the price the company charges in Canada for its products is exorbitant and its profits are similarly exorbitant.

The automobile companies of Canada, which are almost exclusively U.S. owned, have been very careful not to reveal the profits they make in Canada. Canadian governments have been too stupid to pass legislation that would require the automobile companies, like any other company in Canada, to issue annual statements detailing their turnover, profits, capital investments and so on. Several years ago both the Chrysler Corporation and American Motors did submit figures, not to the Canadian government but to the United States securities and exchange commission at a time when the companies were trying to float a new loan in the United States. These figures indicated that the net profit amounted to 30 per cent on invested capital per year. Although the figures applied to those particular years, that is probably their proportion of profit every year.

The Toronto *Globe and Mail*, which is not a very radical newspaper but is very widely read and respected in the business community of Canada, had this to say about the profits of automobile manufacturers in a report on January 19, 1965:

> According to one estimate, the average annual profit of the auto manufacturers often has run to around 30 per cent of their net worth, that is the total amount of their invested capital, compared with a more normal 10 to 15 per cent return in other industries.
>
> While the balance sheets of most of the major producers are closed to public scrutiny, one federal official estimated that in a good year the profit earned by one of the leading Canadian auto producers might run as high as 80 to 90 per cent of invested capital.

This calculation is made by the writer of this article in the Toronto *Globe and Mail* and I think it merits the minister's study.

Having made these comments about the prices of Canadian automobiles failing to come down and about what I consider to be the exorbitant profits made by the automobile manufacturing companies, I should like to deal for a moment with some of the good things that the minister had to say about the results of the auto pact. I agree with him that there has been a large increase in the production of automobiles in Canada, and this is good. The trade imbalance has been reduced from $683 million in 1966 to $350 million. Those are the figures I understood the minister to give when he spoke earlier and I jotted them down. The average level of employment has increased from about 60,000 workers in this country to 80,000. An increase of 20,000 is substantial and this too is all to the good. Productivity has already increased, as I have said. The minister estimates that the gap in productivity between the United States and Canada has been reduced to 20 per cent.

The minister went on to say that a program of loans has been worked out for automobile parts manufacturers. As I noted his statement, 68 loans to a value of $55 million have been made to automobile parts manufacturers. That is good. We have also been told that automobile manufacturers have been permitted to benefit, to the tune of several million dollars, by tariff arrangements with respect to machinery that is not made in Canada. That also is good. Nevertheless the difficulties with regard to this plan which were discussed in 1965 are still there. Those difficulties were spoken about eloquently last week during the estimates of the Minister of Labour by the hon. members for Essex East and Essex West, who represent the automobile workers of Windsor and who know more about these problems than I do, coming from Winnipeg.

• (5:00 p.m.)

Without going over ground that has previously been gone over, may I commend to the hon. member for Essex East a reading of *Hansard* for the month of May, 1965. It will be seen by so doing that a number of hon. members, of whom I was one, predicted then to the minister responsible for industry precisely what would happen. We said that although productivity would go up this would prove of little consolation to workers who might be laid off. Right now about 1,000 Ford workers have been laid off.

Mr. Pepin: Temporarily.

Mr. Orlikow: It is very fine for the minister, the hon. member for Essex East, for me and everyone else here to be philosophical and say this is a temporary lay-off. After all, we are paid every month as long as we remain members of parliament. Ford workers who have been laid off for the next 18 months will not be paid—

Mr. Pepin: They get 95 per cent of their income, do they not?

An hon. Member: All of them?

Mr. Orlikow: I think the minister will find that only those workers who have worked with the company for some period of time will benefit to that extent. A substantial number of the people who have been laid off, in fact, practically all, are new employees who will obtain little benefit from the company's supplementary benefits. The minister ought to read the speeches of the hon. member for Essex East who told us precisely what would happen. I say that what has happened ought not to have happened. When the plan was drafted the union representing the Canadian automobile workers did not oppose it. In fact, the union endorsed and welcomed the plan and called on the government to take precautionary steps to ensure that the workers would receive the kind of sweet, loving attention which the government gave to the employers. We looked after the employers in this field by giving them what amounted to a $50 million subsidy under new tariff arrangements.

When the employers are caught in a squeeze because of any rationalization brought about by the automobile plan, they are looked after. Yet, as the union said in 1965, the government simply refuses to make a similar kind of provision for the employees. The government knew what would happen because the unions warned it. The minister need only look at the correspondence that two former ministers of labour, Mr. Nicholson and the present Minister of Manpower and Immigration, have had on the subject to see that this is so. The unions proposed a series of measures to protect workers who would be caught in the squeeze.

Credit must be given where credit is owing, and I must say that the minister was interested in this matter. The deputy minister of labour, Dr. Hawthorne, was most interested in the union's proposals. Why did the government not go ahead with those proposals? I will tell you why, Mr. Chairman. Because the companies refused to co-operate—that's why

—and because the government did not have the courage to bring in legislation implementing the union's proposals and the proposals made by Mr. Justice Freedman.

Although I was not here last week when the estimates of the Department of Labour were before the house I read the minister's speech and I commend him for it. After the speeches we had from the former minister of labour, last week's speech certainly sounded wonderful. All the same, two years have elapsed since Mr. Justice Freedman handed down his report. How long must we wait before the suggestions of the report are implemented in legislation? The former minister did not think it was necessary to pass legislation in this field, believing that the companies, out of the goodness of their hearts, would adopt the basic principles of the Freedman report through collective bargaining. Of course, that has not happened. How many legal or illegal stoppages must we undergo before the government brings in legislation to implement the suggestions of the Freedman report?

Now we are told that we must wait for the Woods commission to make its report. When will that be? If the Woods commission makes no special recommendations about the basic principles of the Freedman report, must we wait for the findings of another committee or another commission? We are dealing with human lives and, at the moment, with 1,000 jobs. The Ford Motor Company at Windsor has acted in a way no different from the way thousands of other Canadian corporate employers have acted.

Our labour legislation says that except where there is a special clause in a labour-management agreement that prohibits a company from acting in a certain manner, a company has the right to manage its own affairs. The corollary to all this is that when a company makes a change such as is now contemplated while an agreement is in force the union by law is precluded from striking. While an agreement between the union and the company is in force the union is estopped from doing anything about the sort of change we see here. I can only say that had the government listened to what the unions said in 1965, had it set up the kind of labour-management discussions that was then suggested and had it followed through with the legislation that was proposed, this kind of thing would not have happened. The government must have known what would happen if it did not listen.

I concur with the remarks of the hon. member for Essex East who said that it is a disgrace in 1968 for the Ford Motor Company, which has tremendous assets, not to give its employees more than a week's notice that they are to be laid off for a year or 18 months. It is more than a disgrace it is an insult to the kind of society in which we live. I wish to put on the record what the union said to the minister concerned and to the government of Canada in 1965. On January 16, 1965 the international president of the United Automobile Workers, Mr. Walter Reuther, said:

> We in the U.A.W. are pleased that an agreement has been worked out by the U.S. and Canadian governments to provide for a common market in automobiles and parts.
>
> We have long favoured trade liberalization and expansion and we have advocated for many years the creation of such a common market.
>
> • (5:10 p.m.)
>
> We are confident that a rational division of labour in the production of autos and parts as between the United States and Canada will prove to be in the best interests of the economies, the consumers and the workers of both countries.

Rather than being a hard-headed labour leader, it seems to me Mr. Reuther was being pretty idealistic, and in retrospect somewhat naïve, I suppose. Certainly the consumers of automobiles in Canada have not derived any benefit from this fact during the last two and a half years. Mr. Reuther went on to say:

> The efficiencies resulting from such a division of labour will reduce production costs, particularly in Canada where low volume has prevented full and effective use of mass production techniques. The industry is morally obligated to pass these cost savings on to consumers by way of lower prices and thus expand sales and production.

They have, without doubt, expanded sales and production. Mr. Reuther went on:

> Lower prices would mean increased employment in both countries for auto workers as well as for workers in other industries which supply materials, parts and components used in auto factories.

Later he added:

> In order to achieve the more rational division of labour made possible by the agreement, there will inevitably be some adjustment in production within and between both countries. This could result in hardships and dislocation for some groups of auto workers and their families unless effective steps are taken to tide them over the transition period.
>
> We call upon both governments to assure that adequate protection will be provided for those who would otherwise be adversely affected by the agreement. It would be wholly improper for the auto corporations and car consumers to enjoy the benefits of the agreement while auto workers and their families bear the burden and sacrifices resulting from it.

We are now able to see what has happened. The consumers have got nothing. The auto workers who are actually in employment are doing fine. But those who are being put out of work, like the 1,000 employees of the Ford Motor Company at Windsor, are experiencing the bad effects of this rationalization.

The auto workers went on to spell out in detail what the government and the industry should do to protect workers from the kind of thing which has been happening during the past month at the Ford plant. Mr. George Burt, at that time the Canadian director of the U.A.W., said in his report to the Canadian U.A.W. council in March of 1965:

> Up to this point, to our knowledge, neither the Department of Industry which developed this "free trade" program, nor the Department of Labour which is responsible for the manpower and employment aspects of the program, have made any study whatever of the impact of this program on Canadian workers' jobs and incomes. It is therefore absolutely essential that we should be in a position to inform Mr. Drury and Mr. MacEachen of what is taking place under this program as soon as that information becomes available so that we can demand that action be taken, and if it is not, then those that speak for us in the House of Commons in Ottawa can demand to know of the government why the necessary action has not been taken.

Well, we have been asking this government for two and a half years to take action and, as I have indicated, nothing has been done. When we discussed this matter two and a half years ago the hon. member for Essex West, as he then was, scoffed at these pleas. He said we were making mountains out of molehills and anticipating difficulties which would not arise. I notice that the hon. member made a very different speech last week from the one he made in May, 1965. He has learned that we were right and that the auto workers' union was right in predicting what would happen.

The United Auto Workers' union sent a memorandum to the minister of labour early in 1965 spelling out the six steps which it believed the government should endorse so as to cushion the shock of the kind of dislocation which is now taking place. I should like to put this memorandum on record again in the hope that the government and the present minister will have learned something from experience. Even though the implementation of the proposals at this date would be late in coming, it is better to be late than to be altogether wrong. Here is what was proposed

in the memorandum sent to the then minister of labour:

1. Preferential Hiring: to ensure that workers who lose their jobs as a result of the program will be given every possible assistance to remain in the industry and not lose seniority, pension, vacation and other credits, as well as the level of wages they had achieved in the industry.

2. An earnings-related adjustment benefit payable during the period of transfer from one job to another or during the period of retraining.

3. Transfer Allowance: covering the cost of transportation of the displaced worker and his family as well as his furnishings to a new location after he is re-employed, or to a training centre away from home.

4. Age Discrimination: Federal government action to end hiring practices in the industry so that older workers who may be displaced will not be refused employment with auto producers whose work force is expanding as a result of the free trade program.

5. Advance Notice: Federal government initiative to obtain management co-operation in having advance notice of major changes in the levels of employment in the auto and auto parts industry in order to minimize the effects of dislocation.

6. Supplementary pension benefits payable to older displaced auto workers who wish to retire at their own option rather than to remain in the industry if they regard themselves as unable to take advantage of retraining.

The Deputy Chairman: Order. I regret to interrupt the hon. member but his time has expired.

Mr. Orlikow: I wonder whether I could be given just a minute or two in which to finish my speech?

The Deputy Chairman: Does the committee give the hon. member permission to continue?

Some hon. Members: Agreed.

Mr. Orlikow: The specific proposals put forward by Mr. Burt at that time on behalf of the workers in the auto industry look like a charter of human rights. Had the government taken action at that time, the present hardship and dislocation might have been avoided. I submit that the government could have done one of two things. First, it could have used the power it had at that time with the companies. After all, the government could have refused to go ahead with the auto pact, an arrangement which would obviously bring definite advantages to the companies. Alternatively, the government might have passed legislation to protect the rights of the workers. Instead, the government chose to ignore the pleas made on behalf of those employed in the industry, so today we are facing a serious problem at Ford in Windsor. Tomorrow it may arise in Oshawa, as it did several years ago. Next month or next year it may arise in Oakville, and so on down the line.

• (5:20 p.m.)

If the government really believes in the just society, about which the Prime Minister has spoken so often and so eloquently, it ought to translate such glib phrases and slogans into concrete action, into legislation, into direction to the automobile companies whereby the benefits of the agreement worked out by the Department of Industry will give the workers the same kind of protection as the government's programs now give to the automobile manufacturers, a group of companies which needs less assistance from the government of Canada than any other group of manufacturers in the country. This agreement has had a very profound effect on the Canadian economy as a whole and some pretty drastic effects on individual automobile workers.

The agreement has been in effect for almost three years. Unless the government is prepared to do as I suggest I can only conclude, and I am sure the 380 workers already laid off at the Ford company and the 700 more who will be laid off during the next few months can only conclude, that the just society was just an election gimmick on the part of the Prime Minister.

Mr. Anderson: Mr. Chairman, we have heard various gloomy words from the other side of the chamber. I would like to emphasize some of the more positive aspects of the Kennedy round tariff reductions which will have a decisive and favourable effect on the Canadian economy. The successful conclusion of these negotiations has provided Canada with new access to world markets for a much wider range of Canadian products than was the case in the past, including many manufactured goods. These new opportunities for increasing the sale of our products abroad have made it possible for Canadian industry to realize some of the economies of volume production and greater specialization which other countries enjoyed in the past. I think these factors will be very important to our country too.

The improved access to export markets is a most important factor in shaping our economy to meet the competitive demands of the future. I think we all know that this is inevitable in a country such as ours which devotes about 20 per cent of its production to exports.

The Kennedy round was the most extensive trade and tariff negotiation ever undertaken

under the auspices of the GATT. The negotiations covered all classes of products and dealt not only with tariffs but also with non-tariff barriers. To give some idea of the scope of the negotiations, there were more than 50 countries participating in them, including all the major trading countries and some 30 of the so-called developing countries.

The major participating countries are making tariff cuts on 70 per cent of their dutiable industrial imports, of which some two-thirds will be reductions of 50 per cent or more. Under the most favoured nation principle of the General Agreement on Tariffs and Trade these concessions are automatically and unconditionally being extended to all GATT members.

The most important long term benefits for the Canadian economy are the across the board reductions being made by the principal industrial countries in the manufactured goods sector. The 50 per cent reductions being made for a wide range of goods in this area will result in final rates of 10 per cent or less for a very wide range of manufactured products.

Canada is a relatively small supplier of manufactured goods on the world markets. Therefore we see that already there has been a marked growth in Canadian exports of fully manufactured products in recent years. As a matter of fact exports of such products have risen from 14 per cent to 34 per cent of the total Canadian export trade. To look at this in another way, exports of fully manufactured goods have grown at a rate nearly five times faster than that of total exports.

While the Kennedy round tariff reductions will substantially assist in expanding trade in products now being exported, they will also encourage Canadian producers to look into the possibilities of exporting goods which hitherto may have sold only in domestic markets. This twofold expandion of trade is important for several reasons. While our traditional resource-based industries will remain an important factor in our export trade, the increase in trade in these products would not provide for the amount of expansion required in our over-all trade to sustain our economy at viable levels. Therefore we must concentrate on the manufactured goods sector, which is the fastest growing sector in world trade. Expansion in this sector and in the service industries will have to provide the employment opportunities for our rapidly growing labour force.

[*Translation*]

I would now like, Mr. Chairman, to make a few brief remarks about the Kennedy round as a whole. Those negotiations are the sixth of the great tariff negotiations which took place under GATT since its interim application in 1947. They were also the most important trade negotiations held until then—if one considers the number of participating countries, the value of the trade operations that will be affected by those agreements and the consequences of the tariff reductions.

The negotiations covered all types of industrial and agricultural products and dealt not only with customs tariffs but also with some non-tariff problems. It was agreed that, as much as possible, and subject to general reciprocity, the tariff negotiations would tend to realize uniform or general linear reductions of 50 per cent.

Obviously, Mr. Chairman, the advantages arising from the tremendous scope of the Kennedy Round have a decisive and lasting effect on Canadian exporters as a whole. As the export trade accounts for—as I just said in English—20 per cent of the total Canadian production, these negociations will have a great impact on the whole economy, provided the Canadian export industry is in a position to avail itself of the opportunities offered in the coming years.

It is in the manufactured goods sector that the tariff reductions are most striking and most important. It is the sector that offers the greatest possibilities for the expansion of the export trade. The adjustment assistance program will be available for a specialization and a restructuration of the Canadian industry which will be essential if manufactured goods are benefit by an easier access to export markets.

Mr. Chairman, may I refer for a few moments to that program. Maybe we have heard too much about what is wrong with the Kennedy Round, and not enough about what we have done here, in Canada, to promote the export of products covered by the Kennedy Round.

Mr. Chairman, the adjustment program comprises three parts.

First, the underwriting by the government of an important part of the risk of loss which the industrial assistance loans granted by private lenders involves; secondly, in exceptional cases, direct loans granted by the government to companies disadvantaged or in danger to be seriously disadvantaged because of the reductions of the Canadian tariff and

which cannot get underwritten adjustment loans; and thirdly, technical assistance to prepare adjustment programs.

[*English*]

I think that this program, if accepted by Canadian manufacturing industries, both unions and management, if it is accepted by the banks that are participating, and also by the government, should do much to encourage Canadian exports in this important field. It is my hope, Mr. Chairman, that we will in future be hearing far more about this program, the adjustment assistance program, and perhaps this will be the method whereby we will not view the Kennedy round, as some members of the opposition seem to view it, as something detrimental but rather as a great area of opportunity for the ambitious Canadian exporter.

• (5:30 p.m.)

Mr. Bell: Mr. Chairman, I shall be very brief. Recent figures issued by the department of industry, trade and commerce show that in 1967 approximately 69,300 persons left the Atlantic provinces while only 63,800 entered those provinces. They illustrate the continual exodus from the maritime provinces to other parts of Canada. We all know, as has been stated many times in this house, that this situation could be cured by a stronger industrial base. I am concerned that in the change-over period from the industrial assistance programs that we now have to the new legislation the applications made by industry will not be processed. I realize that the minister's responsibility is fading out to a certain extent, but I see in the estimates that some of the A.D.I.A. officials are shown as being under the minister.

I should like to take this opportunity to bring to the attention of the house that we are in a transitional period and, as the new minister of rural and urban development has admitted—I have one of his releases here which I shall not go into—it will be a fairly long time before we have the new legislation and before it takes full effect. I have heard that there are many industries that would be interested in industrial incentives or general assistance of some kind. The Atlantic Development Board, which is the responsibility of another minister, of course, is another agency involved.

I understand there are two or three avenues by which new industry could come to the Atlantic provinces. Whether or not these avenues are satisfactory is a matter I do not wish to go into at this time. However, because of the change-over period which has been referred to by the hon. member for Wellington and the mix-up in the departments I have heard many complaints from industries which wish to obtain assistance whether it is under the old or new plan. There is provision in certain cases for some applications to be received, but I have not heard that these are being satisfactorily processed. I hope that the new minister of rural development will not lose sight of the desperate plight in which industry still finds itself in the Atlantic provinces and that he will see that every application is received and very favourably processed in this change-over period.

We all know the story of how Halifax, Saint John, Dartmouth and Fredericton were excluded under the industrial incentive plan. I realize that an additional measure was introduced to include them, but I do not believe it even had an opportunity to take effect before new legislation was brought in by the minister of rural and urban development. I believe I speak for everybody when I say we hope this works out, that these cities will be given the best treatment and that other cities will be brought in under some new plan that is as good as the old. I bring to the attention of the house that industries in the maritimes, whether small or large, new or not new, are puzzled. They do not know whether their applications should go forward. If they do go forward they certainly are not being processed favourably. I hope the minister will take a moment or two to at least give some guidance to these industries in this regard.

Mr. Gleave: Mr. Chairman, I should like to ask a question or two of the minister with regard to item 10, grants approved by the Treasury Board to promote improvements in the manufacture of rapeseed products. What are the size and nature of these grants?

Mr. Hales: Mr. Chairman, I believe we are still on vote 1. I think the hon. member is referring to vote 3.

Mr. Broadbent: Mr. Chairman, I have listened to the minister's speech with a great deal of interest. As is appropriate for members of the opposition I shall not waste time in commenting on those matters in respect of which we are in substantial agreement. I look with some interest at the history of the department of industry, trade and commerce. This department has gone through an

interesting metamorphosis in terms of organization. First, in 1963 the domestic commerce division was transferred to trade and commerce, and this provided the core for the new department. At that time the government of the day assured us that great objectives could be achieved by the effective co-ordination that would take place in respect of all our industrial affairs by reason of this department with its new core.

Then we had the integration of the department with the Department of Defence Production. Again the benefits of this new reorganization were brought before the house. We were told about the great economies of scale that would be obtained by the close integration of the two departments. However, the brand new marriage did not last very long. We then had the great division of 1966. We heard about the different sections of the department going around competing with each other. Now, once again, they are being integrated into the department of industry, trade and commerce.

Mr. Pepin: The division took place in 1963.

Mr. Broadbent: Now we are waiting for a proper new format with new expectancies in terms of the co-ordination of industry.

I should like to speak on a couple of other matters. One of the disadvantages of following a number of other speakers is that one has the benefit of hearing at least half one's speech made by someone else. Therefore I can assure hon. members that my comments will be quite brief.

I wish to add a few observations to those already made on the subject of the auto pact. The first observation is a very general one but although it is general I do not think it is any less relevant to the auto pact, the automative industry or industry as a whole. I refer to the role of the trade union movement in the actual distribution of power within corporations. In the auto pact negotiations we see a good example of how the people most directly affected can be effectively removed from the decision-making centres in an industry. The auto pact originally was, and in terms of negotiations remains, substantially a product of the federal government negotiators and the representatives of management and industry. I am quite convinced that we would not have experienced what has happened in the past week at Ford Motor in Windsor had the trade union movement been directly involved in the original negotiations which led to the establishment of the auto pact and in the other assessments which have developed in the past few months. The trade union movement, in respect of all sectors of industry rather than just the automotive industry, must have its power substantially increased in all areas in which it is directly affected. This is justice of the most elementary kind. We saw the effects of the absence of this power last week in the unilateral decision made by the directors of Ford.

• (5:40 p.m.)

The second aspect of the automative pact I should like to comment on relates to the issue of price parity. It has been suggested by a number of defenders of the pact that this was one of the goals which in part has been achieved. There can be no doubt about that because we have moved from an average price differential of 8 per cent between United States and Canadian prices in 1964 to 3 per cent, I understand, in the past year. Obviously there has been some real gain in this regard. However, I cannot understand why the Canadian government has refused to make this matter the subject of a contract or law. Why has the Canadian government not insisted that within a certain fixed period of time, perhaps by 1970, automative companies have similar average prices in the two countries? These would not necessarily have to be average retail prices because there are bound to be regional variations vis-à-vis manufacturers' dealers. Surely this could be a matter of contract. I suggest it should be a matter of contract.

We are faced with an ironic situation in that automobiles produced in Canada are sold in the United States at prices lower than those which prevail several hundred yards from the factory which produces them. This situation should not exist on the basis of any economic justification. When the minister again takes part in this discussion on his estimates I hope he will attempt to justify the absence of such a mandatory regulation.

Let me speak briefly about the pricing policies of the automobile industry, divorcing my remarks from the lack of regulation. We have observed constant increases in the prices of automobiles each year which have taken place as a result of some assumed divine right by the owners of this industry to increase prices without economic necessity. There is profit necessity but no other economic necessity. One of the leading automotive industry experts has pointed out—I refer

to Ralph Nader—that there is absolutely no relationship between costs and prices in this industry. This is an oligopolistic industry which is probably more powerful in Canada than in any other country. I suggest it is more powerful than many agencies of the federal government. It has increased prices to a greater extent than other industries in similar oligopolistic situations. Without any stretch of the imagination this industry is in such a position in our economy that it can virtually tax the public if members of the public wish to purchase its products. I suggest that such corporations should come under federal government regulations. One way of accomplishing this would be to establish a prices review board or a similar body with the type of responsibilities I have suggested by the N.D.P.

Let me turn now to what the government is doing in the Department of Industry in terms of research and development. Civil oriented programs of the government for the advancement of industrial technology provide substantially fewer benefits than those programs of industries involved in research and development for military purposes. Under the program for the advancement of industrial technology and the new defence development sharing programs the government pays approximately 50 per cent of the cost. Under the former arrangements a firm had to repay the loan, if the enterprise was successful, plus a competitive interest rate. In the case of defence research and development programs no repayment is required.

Under the new arrangements a defence industry embarking on a non-military program is eligible for this kind of defence grant. In other words, we are not only providing more incentives and rewards for industry moving in a military direction but we are now saying to such industry that if it will do research and development in the civilian rather than the military sector of the economy we will provide even more money. Does this not undermine entirely P.A.I.T. the program for advancement in industrial technology? If the benefits are much greater in respect of military-oriented industry, research and development, how will we ever encourage serious research and development in the non-military segments of our industry? I should like the minister to deal with this question at some point.

A recent article by N. H. Lithwick in the *Journal of Canadian Studies* points out that most of the money used for research and development provided under recent government programs is going into military areas.

[Mr. Broadbent.]

Over 50 per cent of the money used for research and development, provided from government funds, is being used for military purposes. Is this something of which Canadians should be proud? Should we, for example, be proud of the fact that in a recent speech to members of the Air Industries Association of Canada the minister said, "Your interests are mine"?

As the minister well knows, the group to which he was speaking is most heavily involved in the defence kind of research and development. I do not want to distort the significance of the minister's comment and am prepared to think that in a sense he was unconscious of the implications of what he said. But as one Canadian it seems to me at least that we are very much in danger of promoting a kind of industrial-military elite in the country, without any conscious motive of being interested in self-perpetuation as a war oriented economy but for very human reasons. Industries involved in this kind of work have millions of dollars at their disposal, their employees earn very high salaries upon which they come to depend, and they have research projects in which they become interested. We could find ourselves in exactly the same kind of situation as the United States, with an economy overwhelmingly dominated by war production and military research projects.

• (5:50 p.m.)

The late President Kennedy made comments about this kind of situation. In fact, one of the main projects of secretary of defence McNamara, had he remained in that position, would have been to do what he could to get the United States away from the overwhelming influence that is being exercised in that country by this overlapping interest of military research and industrial people. I suggest this is the kind of research that we in Canada seem to be promoting with government funds. Over 50 per cent of these funds are going toward such research. I suggest we will in the end be in exactly the same position as the United States.

I would like the minister to try to deal with this question. Perhaps he will suggest to me that my emphasis is misguided. I hope it is. I suggest that instead of indulging in this kind of expansion of military research we should get out of the whole business—

Some hon. Members: Hear, hear.

Mr. Broadbent: —and buy weapons, if we need to, on the open, competitive market. I

am not saying we should get out of defence entirely, because that would be a ludicrous argument. But I suggest we should be spending our money for research and development in the private sector, that we should be looking at the sectors of Canadian geography and industry that could be viable in terms of international competition. We should be using government funds to encourage research and development in this area and should not be promoting a new kind of industrial-military, research-oriented elite in this country.

The Deputy Chairman: Shall vote 1 carry?

Some hon. Members: No.

Mr. Lambert (Edmonton West): Mr. Chairman, I ask the minister whether he can give us a breakdown or report on the operations of the machinery advisory board under section 15 of the Department of Industry Act. Also, can the minister give us a breakdown of the expenditures of the board? In other words, what is the cost of the board in so far as its operations are concerned?

Mr. Hales: Mr. Chairman, I wonder whether the minister wishes to reply to the questions asked up to this time or are we to proceed with vote 1?

[*Translation*]

Mr. Forest: Mr. Chairman, while we are considering the estimates of the Department of Industry and Trade and Commerce, I take the opportunity to congratulate the minister for his appointment to this important position. All those who know him for his intelligence, his devotion to duty, and to work, are happy he has been chosen for this tremendous job and we certainly expect his support for the economic development of the less favoured areas in particular which need government support and help to actualize their potential.

I should like to draw his attention for only a few minutes, on the present situation of the textile industry and specially on the necessity of long term policies and programs in order that these industries may make plans for a certain number of years rather than to be acquainted with government policy on a yearly basis; the latter not only unsettles them, but prevents any planning of their production and of the increase of their industrial capacity for a certain number of years.

I believe I do not need to draw the attention of the minister on the situation in the textile industry, which is well known to him. He knows how important the textile industry is, particularly to a great number of Quebec municipalities. As a matter of fact, these communities are particularly apt to suffer from importation of textiles or clothes from countries where lower production costs allow manufacturers to export their products in Canada. This is an industry which generally hires quite a number of employees. And if we study the statistics, we shall see that the number of workers shows a tendency to decrease every year. In 1967, according to the statistics for March, the number of employees was 83,000 whilst in 1966, they numbered a little over 87,000. The volume of importations has greatly increased especially during the last few years—

The Deputy Chairman: Order. It being six o'clock, it is my duty to rise, report progress and request leave to sit again later this day.

[*English*]

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for Kootenay West (Mr. Harding)—National Parks—Glacier—inquiry as to logging operations; the hon. member for Bellechasse (Mr. Lambert)—Vocational training—restriction of retraining to a certain number of persons; the hon. member for Oshawa-Whitby (Mr. Broadbent)—Housing—Oshawa—availability of defence department property.

• (6:00 p.m.)

It being six o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely notices of motions. I am advised that notice of motion No. 14 was called for the first time on Monday, November 25, 1968, and if not proceeded with today when called it would normally be dropped from the order paper.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, in view of the fact it was allowed to stand on November 25 by unanimous consent because the hon. member was then at the United Nations, I wonder whether it could

not be agreed that it stand once more but only once more?

Mr. Forest: We would have no objection to allowing it to stand once more in view of the fact the hon. member had reason to be away, provided it is proceeded with next Wednesday.

Some hon. Members: Agreed.

YOUTH EXTENSION PROGRAM

SUGGESTED PROMOTION OF INTEREST IN PARLIAMENT AND THE CONSTITUTION

Mr. Stan Schumacher (Palliser) moved:

That, in the opinion of this house, the government should consider the advisability of underwriting a youth extension program of the parliament of Canada to:

(a) Promote and nurture an interest among the youth of Canada in the principles of our constitution;

(b) Promote belief in the power of reason as applied through public discussion as preferable to silence coerced by law;

(c) Provide annual seminars for young Canadians from shore to shore under the supervision of M.P.'s and officers of the House of Commons and Senate to gain insight into, and understanding of, the workings of government in deliberation and action.

He said: Mr. Speaker, many motions of this type have appeared before and been debated in this house. They were particularly plentiful prior to centennial year and were discussed in connection with the establishment of the Company of Young Canadians when there was hope that body would contribute in some constructive way to the quality of life in Canada instead of turning into what appears to be a group of self-seeking agitators with international aspirations. Because of the publicity given to the desirability of participatory democracy and the just society during the recent general election, I would hope hon. members would not talk out this motion but rather allow it to result in a formal expression of opinion by the house.

I am happy that this motion has risen to the top of the list for debate today, in view of the fact we will soon be debating the procedures of this house. In my view, as a result of discussions with other hon. members and of reading the views of certain journalists, there appears to be a great misunderstanding concerning the proper role of parliament. According to these views, mistaken in my opinion, parliament should be busy governing the country by actually making day to day decisions on this and that problem. According to this view, the debate on the Address in Reply to the Speech from the Throne, as well as the speech itself for that matter, are useless and a waste of time. As I have said, these views appear to me to demonstrate a lack of understanding of our parliamentary system.

I believe that the people of Canada are entitled to an annual report from the government as to its assessment of the state of our nation and a general outline of the government's intentions in that regard. I believe also that the representatives of the people should be able to criticize that report and those intentions and to make general suggestions which could lead to better solutions to the problems of our nation. In my opinion, it is ridiculous to suggest that, on the one hand, our democracy should be more participatory while on the other hand proposing that the democratically elected representatives should be restricted in the expression of their views. Hon. members, journalists and the general public should know that the house is a deliberative body which exercises no executive powers. It should not be looked upon as a machine that will grind out decisions which, in fact, are executive in nature. It is high time that the executive and its apologists stopped using this as an excuse for lack of action and leadership in administering the affairs of this nation.

This motion also refers to the constitution itself and that brings up the question of the monarchy. I have noticed since arriving here that there is not a general acceptance of this institution. This is a fact which concerns me more than any other in connection with the future of this nation. If I might speak personally for a moment, I would say that I am a relatively new Canadian since both of my parents were born in the United States. I would say also that when I first became interested in the government of this country and began comparing our institutions with those in the United States I was not very impressed with ours. However, as my study progressed I reversed that decision. Having said that, all I wish to say is that an understanding of our system will result in the revelation of its superiority and that a danger exists in destroying or removing those symbols or symbolic items which strengthen the foundation of our system. I feel that if the monarchy were removed and a congressional or republican form of government established there would be growing pressures for union with the United States, the argument being, why use a facsimile when the real thing is available?

It took over 500 years to bring us from the plains of Runnymede and Magna Carta to our present position where the rights of the individual are recognized in a free society. Today our youth is being subjected to direction and persuasion from movements based on violence, permissive sex and drugs in a concerted attempt to undermine and overthrow what it took 500 years to build, namely, our free society with respect for the rights of the individual but recognizing also individual responsibilities.

Parliament cannot remain indifferent to the many tides and currents of intent, not all of them good, to which our young people are exposed today. Let us face the fact that many of the institutions which we take for granted, free speech, parliament itself, the rights of the individuals, service to our country, are today being attacked and derided not only by expatriate drop-outs from the United States society but by Canadians who would replace our way of life with suppression and tyranny. Let us bring some of our young people to Ottawa and make known to them what parliament is all about. Let them discuss and learn from members of this house how freedom works on parliament hill. This house cannot remain aloof from what is going on. Let us give parliament back to the people.

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, I sincerely and earnestly congratulate the hon. member for Palliser (Mr. Schumacher) upon bringing before this house a notice of motion which is excellent in both wording and intent. I believe that the concept of an annual thought-gathering conference of the young people of Canada would stimulate enthusiastic discussion and consideration. It is, therefore, with strong conviction that I lend my support to the suggestion that the government of Canada should underwrite such a project in order to promote and nurture interest among the youth of Canada in the principles of our constitution and to promote belief in the power of reason through public discussion, as the motion suggests.

As an educator I am personally aware and convinced of the urgent need to introduce a vigorous program in Canada to educate our young people in the functions and responsibilities of our parliamentary system of government. I well recall my efforts in trying to teach Canadian students about societies and cultures of the past in other parts of the world. Seeking a point of reference to clarify an understanding of political practices, I used our own parliamentary system for the purpose of drawing a comparison. To my dismay, this proved to be a very ineffective teaching technique simply because there was an appalling ignorance of our federal parliamentary system of government among the students I met.

• (6:10 p.m.)

I hasten to point out, Mr. Speaker, that this situation is not entirely the fault of our students, for they can only take advantage of the opportunities which are presented to them. Further, we should not seek to blame hard-working and dedicated teachers who have long courses of study to present in a limited amount of time. Most schools, I believe, offer a course or courses on civics at some stage along the educational route, and I have seen some excellent books and booklets which try to shed light on the organization and operation of government. Nevertheless, many good teachers will testify that civics, more often than not, is among the most sterile and boring of all subjects.

Part of the reason for this unfortunate fact is that all too frequently classroom lessons on government require and expect a student to memorize, digest and duplicate the information to which he is exposed. He is stuffed or programmed like a computer, and there is minimal opportunity for participation or involvement.

The notice of motion now under consideration calls for annual seminars for young Canadians to gain insight into and understanding of the workings of government in deliberation and in action. I would go a little further and call for annual regional and national youth parliaments in conjunction with these seminars where our young people could not only discuss but actually participate in the processes of parliamentary democracy.

These have been tried before with outstanding success and we need more of them now. They can only be brought about with the encouragement and assistance of the federal government, with the help of officers of this house and of members of parliament and senators. Such a program would go far in breaking down the walls of ignorance. The interest, enthusiasm and resultant comprehension of our young people would amaze us all.

The report of the provincial committee on aims and objectives of education in the schools of Ontario entitled "Living and Learning"—

the so-called Hall-Denis report—speaking about curriculum says:

> The curriculum must provide a greater array of learning experiences than heretofore. Classes must be more mobile, within and beyond the local environment, and the rigid position of education must yield to a flexibility capable of meeting new needs. These and other innovations will be aimed at developing in the child a sense of personal achievement and responsibility commensurate with his age and ability—

While education is not directly a federal responsibility, we can certainly do something in the national interest to promote interest and understanding of our political system.

The United Nations Association has been very effective in developing an educational program of model United Nations which are conducted annually in several areas of Canada. Having participated in these projects, I vividly recall the intense interest and enthusiasm which marked the proceedings. Young Canadians acting as representatives of various nations, actively involved in debate and discussion, became aware of complex world problems and the terrible elusiveness of quick, easy solutions. We have a responsibility also to assist our youth to comprehend more meaningfully our serious national problems and the existing machinery which must be used as is or redesigned to find the answers to our problems.

Recently we have witnessed disturbing outbreaks of youth violence in many parts of the world. A report recently referred to in the committee on miscellaneous estimates and prepared by a consultant for the Company of Young Canadians doubted the sufficiency of the parliamentary system for today's needs, and even suggested that our efficient bureaucratic society might produce the need for violence to achieve change. This report, of course, was only a position paper, and it was not by any means fully endorsed by the C.Y.C. Nevertheless, the fact that some people think in such radical terms, the fact that so many in our society do not know how to protest, how to initiate change, points to a learning deficiency which exists not only in Canada but in many parts of our contemporary world. The lessons of so-called participatory democracy must be learned and our government can help to assist this concept by introducing a youth program on government, using the suggestions outlined in this motion and other ideas as well.

[Mr. Penner.]

The Hall-Denis report on education in a chapter entitled "The Search for Truth in a Democratic Society", says:

> Democracy is a flexible, responsive form of government, which arises not as a result of imposed or structured political practices, but as a dynamic, liberating force nurtured by the people themselves. It implies the freedom to think, to dissent, and to bring about lawful change in the interest of all. It can flourish only when its citizens are free to search continually for new ideas, models, and theories to replace outmoded knowledge in an effort to serve an increasing number of people. A true democracy is a free and responsible society—
>
> The heart of the problem of providing a general education in a democratic society is that of ensuring the continuance of the liberal and humane tradition. This is far more basic to our society than the worship of intellectual pursuits and scientific endeavour for their own sake. If freedom is to be nourished and maintained, the educational process must include at each level of growth and development some continuing experience in making value judgments.

I strongly urge the government to consider some form of a youth program on government. It would be helpful to have members of parliament involved in this program, not so much under our supervision, as the notice of motion suggests, but rather using them as resource persons. And what an opportunity for them as well, Mr. Speaker. Not only would our youth become more familiar and better acquainted with the operations of the government but our members of parliament would also become more familiar and better acquainted with the views and aspirations of this nation's youth.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I had not intended to speak this afternoon but my interest was awakened when I read this notice of motion. I think it comes at the right time, since we may begin to consider constitutional reform after the Christmas recess and ideas put forward now are like seeds of future discussions.

The notice of motion says:

> That, in the opinion of this house, the government should consider the advisability of underwriting a youth extension program of the parliament of Canada.

The first reason for this program, and I continue to quote, is to:

> Promote and nurture an interest among the youth of Canada in the principles of our constitution.

I think hon. members who have often come into contact with the youth of today will first and foremost have to try to give our young people confidence in our present constitution, a confidence they lack, as I realized

in all my discussions with them. Our constitution has been so infringed upon in the past hundred years that the youth of Quebec no longer have much faith in it. The first aim of the proposed program is to promote and nurture an interest among the youth of Canada in our constitution. However, I think that those who will meet our youth in the future will realize that our young people today want a new constitution adapted to modern needs. They want to see a new constitution to take the place of the old one which was so often infringed and trampled upon and in whose name so much injustice was done.

The notice of motion also suggests, and I quote:

Promote belief in the power of reason—

• (6:20 p.m.)

I do not think that we have to persuade our young people of the superiority of reason, because it is precisely their strongest point. Young people nowadays do not believe in myths, and I have been shocked when I heard the first speaker advocate once more the myth which has been pounded into our head for the past 300 years.

Mr. Speaker, youth today is nurtured on facts, not on fancies, and facts appeal to reason. Therefore, I believe that if we want to appeal to the reason of our young people, we will have to get rid of those old myths. Therefore, I congratulate the government, because I think it could not care less about myths; it relies mainly on reality and that is what the young people want.

Mr. Speaker, I have been so surprised and shocked by what was said by a new Canadian that I decided to speak up. Had it been a Britisher, I would have simply said he is a Britisher, and that's that. But he is a new Canadian, born in the United States where myths have been dead for a long time.

I consider such comments as a little surprising on the part of a member who wants to arouse new aspirations among young people. Why did he have to preach once more the cult of the myth. The notice of motions states, and I quote:

—provide annual seminars for young Canadians from shore to shore and under the supervision of M.Ps and officers of the House of Commons and Senate—

I think, Mr. Speaker, that those seminars are urgent in the present circumstances. I think that the men best qualified to organize those seminars in all the constituencies of Canada are the members of parliament. Therefore, I still wonder why members of parliament cannot be granted one month or one month and a half to travel through their constituencies and organize such seminars. We must go in all our educational establishments to meet our youth. Several times, during my term of office, I was invited by some groups. I went to meet them eagerly. The present government should, therefore, organize information programs. In fact, not only the youth, but even the middle-aged people do not know anything about parliamentary matters. About ten years ago, people in most ridings could not tell the difference between a provincial and a federal member. The situation is much better today. In fact, many organizations and members of parliament have endeavoured to inform the citizens and have tried to make them see the difference at least. Even today we still get many letters that should be addressed to the provincial member. In my own riding, things are a little better today, but when I was first elected six years ago, I think that 75 per cent of the letters I was getting from electors in my riding should have been addressed to the provincial member. That shows how well informed our people are and when we explain things to the people, when we tell them that this is a provincial matter and that is a federal matter, they are filled with admiration to find at last someone who can set them straight.

Therefore, I think that even if that motion was meant only to urge the government to give members of parliament time to visit institutions and travel in their ridings, it would not be without merit. It would be for the member of parliament a matter of spending a month or a month and a half in his riding to inform the people on everything parliament does, in order to give them a more concrete idea of the work of parliament. In fact, I think it would benefit all members of parliament and the people even more. It is found that in our organizations much of the work done is often useless because it becomes obvious a few months after a program has been under way that it is a false start, that it is misguided and that everything must be done over again.

I believe, Mr. Speaker, that I would be in favour of seminars, the organization of which should be one of the first steps to be taken by the government, one of the first questions to be considered. As a matter of fact, I am convinced that if we give adequate information to our people, our work will be more effective and lower levels of government will also be able to take advantage thereof.

Youth Extension Program

[*English*]

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I am pleased to support without any reservation whatsoever the motion put forward by the hon. member. In recent years many in Canada have been increasingly interested in and concerned about our young people. It has been felt that the young people of Canada should have a closer contact with and participation in affairs of the nation at the national level. It is interesting to note that in response to that growing interest the average age of hon. members of this house has decreased over the years, that supports the contention that the young people of Canada are becoming more concerned about and more directly involved in governmental processes.

The hon. member who preceded me in this debate was somewhat critical of the observations made by the mover of the motion. I think that those criticisms would be dissipated if the house approved of the proposition that has been put forward this afternoon.

I will not deal with all aspects of the motion but only with part (c) which says:

> Provide annual seminars for young Canadians from shore to shore under the supervision of M.P.s and officers of the House of Commons and Senate to gain insight into, and understanding of, the workings of government in deliberation and action.

• (6:30 p.m.)

I am sure some hon. members who are present in the house this evening will recall it had been hoped that a major activity of the centennial year would be a youth parliament. Some who are with us this evening took an active part in trying to promote this idea and get it off the ground. It was endorsed by the then prime minister, by the leader of the opposition and by the leaders of the smaller groups, and considerable groundwork was laid in planning the project. A joint committee of the House of Commons and the Senate met on several occasions and strongly recommended that the idea of a youth parliament should be carried out in 1967. It would seem to me that part (c) of the motion before us would tie in directly with the youth parliament proposal. I particularly like the words which say it should be under the supervision of members of parliament and officers of the House of Commons.

Those who followed the work done in connection with the youth parliament will recall it was an essential recommendation that the centennial youth parliament should be directly connected with the activities of this house.

[Mr. Gauthier.]

Indeed the final report of the joint committee recommended that the youth parliament be a precise duplication of the senior parliament of Canada. The involvement of M.P.s would have arisen from the fact that they would have supervised the electoral process in their constituencies.

This process would have resulted in the election of a young person of high school age, a boy or girl who would receive the honour of going to Ottawa and, during a particular period of time, actually understudying the functions of the official federal representative in parliament. I think you will understand, Mr. Speaker, why there was so much enthusiasm for this proposal. It would have meant that every high school in every constituency in Canada would have become deeply involved in direct participation in the parliamentary process and this, I think, would have been an educational experience par excellence; it would have meant the carrying out of the purpose of clause (c) here to the ultimate.

I do not wish to prolong this discussion unduly, but I would suggest that the idea of a youth parliament is not a lost cause. Questions have been asked on this subject on several occasions already this session. On the most recent occasion a question was directed to the Prime Minister (Mr. Trudeau) who indicated that the youth parliament idea would not be proceeded with during the current parliament, largely on account of the need for austerity. However, I suggest that if this house were to support unanimously the excellent proposal which is now before it, it would strengthen the Prime Minister in reaching a final decision on this question.

I certainly hope that the excellent preparatory work which has gone into this youth parliament proposition—it began as early as 1964 and extended through centennial year—will not be lost, and that the proposal will at last be implemented. The records are available, I believe, in the official records of parliament, because the joint parliamentary committee was officially established to look into the proposal. In seeking support for the resolution before us I urge that this proposal be linked with the background to which I have referred, and that we should move forward as quickly as possible toward a program which will involve the youth of Canada more directly in the political process.

In recent months, the desire of the youth of Canada to become more directly involved in affairs of state and in the political process at

all levels has been made dramatically clear by the activities of the protest movement on the campus. I recently came across a quotation which appears to be highly relevant in this regard, and I should like to present it to the house:

> Everything about us stresses instant gratification of want. We can travel anywhere in a matter of hours or days. We can communicate instantly, be entertained instantly. Is it any wonder that young people living in this climate should want instant spiritual fulfilment, instant physical gratification, instant change in the political and social system?

Those of us who have been in parliament over a period of time are aware that instant solutions to the political and social problems facing this nation are not possible. The process of parliamentary discussion, attempting to arrive at consensus, takes place only slowly through the parliamentary system as we have seen it established over the years. It is unfortunate that because of the present sense of urgency the functions of parliament have been downgraded in recent years. This is a point which was made by the mover of the motion in his opening statement. I am sure that if we can arrange a youth seminar or a youth parliament, whatever one wishes to call it, on an annual basis under the supervision of M.P.'s and officers of this house, it will result in a much more intelligent and responsible approach to affairs of state by the rising generations. It is for this reason, and many others I could state, that I hope the house will give unanimous approval to the motion.

• (6:40 p.m.)

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, this is my first opportunity to speak in this house since my election and I must say I cannot but be moved by applause, not yet deserved, coming from the hon. members from all sides of the house.

I should like first of all to congratulate sincerely the hon. member for Palliser (Mr. Schumacher) for having brought in this project that I would call a youth parliament. The hon. member for Palliser is a young member, like me, and I believe this project concerning youth suits him well and that he owed it to himself to bring it in.

I heard about such projects of youth parliament a long time ago and I was quite interested by it. I now have the opportunity to support this motion. The main reason why I support it is the deplorable lack of interest in Canada for federal politics.

From one election to another, in the various ridings, candidates spend huge amounts not only to get elected but also to interest people in politics, to stir them up, to induce them to discuss and to vote.

In my riding, I noticed that despite the efforts made by six candidates during a month and a half, not even 50 per cent of the people cared to vote. Such a lack of interest stems undoubtedly from the fact that people are not informed, and a youth parliament will be a means to interest this sector of the population that will be the electorate of to-morrow, i.e. our youth. That is why I want to support this project of a youth parliament.

This program will have unquestionable advantages, the major one being political education. Today's youth, as other speakers said earlier, are ill-informed in school on the subject of politics and parliamentary institutions. Today's youth are disputatious and they insist on their rights; they insist, from day to day, from month to month, on getting more and more from governments. They do not know much, however, about the responsibilities of a minister; they do not know much about budgets. While they demand, they often forget that to give, a government must take from the taxpayers' pockets. There is a lack of political education when people are always begging for something, without realizing that money has to come from somewhere.

In my opinion, a youth parliament, a model parliament of that type, would enable young Canadians to be initiated in all the complicated aspects of the Canadian political life and to familiarize themselves with the good as well as with the bad sides of things. On returning home they would be in a position to communicate their enthusiasm to other young people in their surroundings and as I was saying before, stimulating a political interest in today's youth is creating a sense of responsibility in tomorrow's electors.

There are other advantages also. In fact, a youth parliament would constitute a forum for discussion. The young of today have much to say. They want to be heard and they are heard. In the universities, student committees demand joint management, joint government. Everywhere, youth wants to be heard. However, on political matters, they have no outlets except through young people political associations across the country. Yet those associations are based on political partisanship.

Now, that youth parliament would offer the young man or the young woman who wishes

to discuss politics in a non partisan fashion, a forum, a place from which to put their opinions before the land.

Likewise, let us not forget that this youth parliament could constitute a source of new ideas. The present government has already innovated since it has come to power and it will blaze even newer trails.

There is talk of parliamentary reform, of many things to come. Still, let us not forget that it is up to the people to bring new ideas to the fore, and if that is so, on whom can we bank more than on the young people, on those who are never content with the *status quo* and who wish to challenge everything and everybody.

To my mind, a model parliament, a youth parliament, could be a source of new ideas which could help Canadian administrators to modernize both present structures and plans.

In addition, a model parliament, a youth parliament could perhaps become a means of action. Our young people—let us face it—do not have any very specific mode of action when it comes to achieving their ambitions from a political point of view. And so, we see them demonstrating, marching, walking about with placards, at times even indulging in violence. That violence we witness comes from somewhere; it stems from a deep feeling of frustration in the young people who have no means of action. They see no other means than that, so they resort to the most obvious: violence and demonstrations which threaten law and order.

A youth parliament could channel those energies and offer, at long last, to our young people, bubbling over with energy, an outlet through which they might give vent to their ideas and achieve their objectives.

Finally, looking at the shape of things to come, we see that we will soon have to revise the Canadian constitution. We will have to bring the people of Canada to accept upheavals. We will have to change an aging constitution, over a hundred years old, which hardly anyone understands completely.

Has the time now not come to support a project such as the youth parliament so that the people can develop an interest in public affairs? They will soon have to decide what constitution we will need for our second centenary, for constitutions do not change often. Now, if the people are to choose the men who will lead the government and make decisions, if the people have perhaps to vote by referendum on some aspects of the constitution—this, we do not know yet—today is the time to stir their interest at grass roots, level by stirring the interest of the young people and setting up a youth parliament.

I should like to refer to a term used during the election campaign: We should have a policy of participation. Well, the policy of participation can no doubt exist in many ways, but this youth parliament suggested by the hon. member seems to me a good starting point and, before we involve all the people in the participatory process we should start with political education and this youth parliament seems to me a good way of going about it.

[*English*]

The concept of a youth parliament, Mr. Speaker, is one which has tremendous potential for beneficial results. Each year hundreds of young Canadians would be able to return to their homes in the various parts of our nation having had first hand experience of the workings of federal government. They would be able to communicate to their communities their own newly awakened enthusiasm and knowledge concerning our tradition of federal parliamentary government. This is why I would like this house to underwrite the motion.

• (6:50 p.m.)

[*Translation*]

Mr. Herb Breau (Gloucester): Mr. Speaker, as I am one of the young members of the house, you can be assured that the motion of the hon. member for Palliser (Mr. Schumacher) is of great interest to me.

In view of the development in the last few years, the Canadian youth, as that of the United States or of other countries, will be called upon to play a very important part. Young people react in a way which is not necessarily the best to what is wanted of them and even if there are no demands made upon them, their reactions seem sometimes abnormal to many people.

I have had the good fortune, since I am a little younger than most of the members, to be on those university campuses a few years ago; I saw various organizations become protest bodies and I heard all about the imaginary fences which, according to the young people, separate other generations.

[*English*]

I should like to congratulate the hon. member for Palliser (Mr. Schumacher) for bringing this very important subject to the attention of the house. I believe the proposals contained in his motion are very realistic. There

is no doubt that the young people of Canada must have an interest in our constitution and that they must put forward their ideas in respect of any review of the constitution, or any reforms. The hon. member spoke of parliamentary procedures which might be simplified. I believe it is very important that we have the ideas of the young people in this regard.

I support the principle of the hon. member's motion in respect of the provision of annual seminars for young Canadians from shore to shore under the supervision of M.P.'s and officers of the House of Commons and Senate, so that those young people may gain insight into, and understanding of, the workings of government in deliberation and action. I should also like to thank the hon. member for presenting his motion.

[*Translation*]

Mr. Speaker, speaking of the Canadian youth of today, I cannot forget the Prime Minister's attitude towards youth. I believe he is the first chief of state able to communicate and really to hold a dialogue with people of all ages and especially with the young. He has shown recently, as throughout his whole political career, and even prior to that, that he always concerned himself with young people, in short, that he always took an interest in conversing with them.

I was referring earlier to an imaginary door or barrier existing between young people, the various levels of administration and other generations.

If we look at Canadian university campuses to-day, we can see many reactions and often people wonder if what is going on in some cases is justified.

Well, I think it is very simple to explain. Young people have something to contribute, something to give, something to say and let us admit it, our institutions, whether government or private business, do not take them into account. Our structures do not permit us to listen to young people, to allow them to participate and, above all, to accept or, at least, to consider their ideas.

Young people are asking for something, and those who should answer them do not know how to go about it. As far as I am concerned, this reaction of students or young people before these problems is easy to understand.

This government compromised itself recently when it tried to remove regional disparities in the country, not only from the economic point of view, but mainly by emphasizing the fact that the problem of national unity would never be resolved before these disparities are removed.

Obviously, in these areas, the people will have to be motivated, they will have to awaken and to work.

I should just like to point out the necessity to encourage young people in these areas and the necessity to recognize a region where perhaps the young people will be called upon to find solutions as rapidly as possible.

It is certainly on young people that our hopes must rest, our chances of succeeding in those areas. The motion before us this evening is quite realistic, because it provides for the establishment of structures and direct participation of young people organizations.

I think that it is a way to hear the contribution of young people especially through seminars, because it is quite important that all Canadians should truly understand the nature of government work at all levels, especially that of the federal government which has become such a big and complicated business.

I think that, from that point of view, it prepares the young people to know the government better and to understand our procedure. Consequently, they will be ready to discuss government policies and, in addition, when they will be in the business world, in law practice, in the educational world or in any other profession, they will understand better the different departments of the government and its various procedures.

The Acting Speaker (Mr. Béchard): Order. I regret to have to interrupt the hon. member, but I must remind him that the hour reserved for the consideration of private members' business has expired.

Mr. Yves Forest (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, we would have no objection if notice of motion No. 16 were allowed to stand at the request of the government and kept its place on the order paper, as mentioned.

[*English*]

The Acting Speaker (Mr. Béchard): It being seven o'clock I now leave the chair.

At seven o'clock the house took recess.

Supply—Industry

AFTER RECESS

The house resumed at 8 p.m.

SUPPLY

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

DEPARTMENT OF INDUSTRY

1. Departmental Administration, $12,495,330.

[*Translation*]

Mr. Forest: Mr. Chairman, a few minutes before six o'clock, when the house went on to the consideration of private members' business, I had started to talk briefly about the conditions that exist today in the textile and clothing industries. I was dealing with the problems which now face that industry whose survival and progress are essential for a large number of municipalities, especially in Quebec and Ontario.

Of course, the volume of imports from countries where the production costs are lower remain the most serious problem for the textile industry and for a large number of other industries in Canada.

The figures for the period between 1954 and 1957 indicate that the Canadian industry saw its share of the market drop from 68 to 60 per cent. The important penetration of imports in the Canadian market is obvious since it is the highest per capita among industrialized countries, and our market is too easily accessible to export countries with a low production cost.

In fact, in 1966, every citizen bought $19.32 worth of textile in Canada, $10.89 in England and only $6.07 in the United States. This indicates that Canada uses three times more imported textiles and clothing than the american, and twice as much as the average Englishman.

Canadian manufacturers are not to blame, because our textile industry is among the most modern in the world from the standpoint of technology. Furthermore, it has invested about $500 million, since 1960, to modernize its plants and increase its productivity. Besides I think the administrators of those industries are aware of the difficulties facing Canada, as an exporting country, in the course of negotiations with certain countries, especially those with which we have a favourable trade balance as our exports consist mainly in primary products, whereas we are importing mostly manufactured articles.

[The Acting Speaker (Mr. Béchard).]

Therefore, it is important that the government insist in insuring above all the protection of those products being manufactured in larger quantities. Obviously, Canada must produce enough, at reasonable costs if this industry is to achieve a higher degree of rationalization as advocated by several experts in this field. If we are not far-sighted enough, our manufacturers will find it increasingly difficult, not only to maintain their present level of production but also to plan adequately for a profitable production and to invest the capital that will be required in the years to come to maintain an adequate level of employment.

The primary textile industry is today the second largest employer in the manufacturing sector in Quebec. Recent statistics, in the cotton industry in particular, are giving great concern and rightly so to the industrialists and the workers, to all those who are dependent upon it.

It is, therefore, essential to clear up the situation and to look further into the future, within the framework of a realistic and well established policy, because Canadian producers are now unable to anticipate the impact of imported manufactured products at low costs coming from underdeveloped countries. They are unable to take the necessary steps against this competition, because they can not guess at it or foresee it, since they have no indication or information. Their production schedule may be normally set up a long time in advance; they often squander more or less uselessly, a lot of time and money, but when the time comes, they are unable to follow up their programs.

It is therefore absolutely necessary to implement a long term policy, in fairness to this industry. I am confident that the present minister, who understands the problem, will put these production plans into effect as soon as possible and implement a general policy which will allow Canadian manufacturers to understand their situation in the Canadian economy in relation to imports from countries where the cost of living is lower, and which will show them what their aim should be in deciding to invest. This will also help the government to establish a general policy with regard to low-priced imports, instead of the present short term or one-year policies.

The changing structures of the world trade in textile products also make it increasingly necessary to implement a new policy which, instead of leading to a continual decrease in production, level of employment, investments and the deterioration of social conditions in

the centres where these industries are located, will give us a more economically viable and a stronger textile industry which will look to the future and which will provide a sufficient and increasing number of productive jobs, following the recommendations of the Economic Council of Canada.

I think that this request for a realistic and well defined policy by the textile industry is justified and should be supported by the government. I am confident that the present Minister of Industry and Trade and Commerce (Mr. Pepin) will comply with this request as soon as possible, in order to allow the textile industry to develop economically and to participate in the development of our country.

Mr. Chairman, I have several other comments to make on this subject. I shall have the opportunity to come back to it another time, and I will only insist tonight on the implementation of a planned long term policy in order to allow this industry to plan its programs ahead of time and to develop. I am confident that the present minister will comply with this request.

• (8:10 p.m.)

[*English*]

Mr. Pepin: Mr. Chairman, I would like to make a number of comments on the ideas brought forward in the short debate we have had. First, the hon. member for Wellington talked about the department, past, present and future. I think we agree that industrial production and export promotion should go hand in hand and consequently should be under one department. I do not think we have time to go into the question of why the division took place between "Commerce" and "Industry" in 1963. I sometimes say that the whole thing was planned in order to give more importance to "Industry", so that a marriage could be performed between two activities of equal size and equal maturity, but I do not know whether that is an explanation. Why "Industry Trade and Commerce" was given as a heading in the estimates book is still a mystery to me. I regret it, for the two departments are still separate. They may have found ways and means to work together until the legislation comes about, but as of now the two departments are separate entities.

The hon. member referred to internal, fusion troubles in the department. A task force was created, as he knows, to study the problems and present recommendations. Boards were formed to determine who were the most qualified people, and in cases of uncertainty people were given the opportunity to state their case. I believe—and I hope I am right; I have checked—this was done with a minimum of pain. But it is possible that some people felt injured. However, I think the hon. member would agree with me that it is not easy to carry out such a merger without a few sacrifices being made and encountering a few difficulties. I believe the difficulties have been reduced to a minimum and that individuals involved were treated decently.

The hon. member had a lot to say about the automobile agreement. He said, mainly, that the automobile pact was mostly advantageous to U.S. subsidiaries in Canada. He did not put forward how he would have done it. Would he have preferred the government to take over? If so, I would remind him of some of the difficulties associated with such an operation. Nevertheless he and the hon. member for Winnipeg North were very generous in recognizing the progress that has been made in regard to production, exports, productivity, employment, and so on. My philosophy is that politics, as Burke says, is a choice of inconveniences. In this case I believe that the advantages were very, very much more on the side of the automobile agreement, and I believe the Canadian interest has been well protected in this pact.

The hon. member for Wellington also said that a great number of small companies were put out of business. I inquired immediately of the department and was told this had occurred in only two cases, and that in fact most small companies have expanded. I am told by a number of people on all sides of the automobile business that any parts company that has a capacity is now completely absorbed and is handling as much business as it cares to or can handle. I have checked on these matters. If the hon. member knows of some cases where this is not true, I would be delighted—as I did on one occasion for a small plant in my riding—to bring it to the attention of those concerned, so that if at all possible a remedy can be found. However, I am informed that this is not the case. The bulk of the government loans has been made to small companies in order to help them expand. This then is the general pattern.

The hon. member for Wellington also said that imports have increased. I think I mentioned this too, but to be absolutely scientific I would say that exports have increased 2,592 per cent and imports have increased 1,381 per

cent. However, I paid more importance to the phenomenon of trade imbalance, to the comparison of our trade balance in automobiles. I think this is where the comparison should be made. Hon. members will recall that I said we had an imbalance, against us of $351 million in 1968. In 1965 it was $547 million, and in previous years it was even higher.

The hon. member also said that productivity in Canada is increasing more slowly than in the United States. I am delighted to tell him that, fortunately, he is wrong, at least as far as the automobile industry is concerned. In Canada annual productivity increased 8 per cent last year. In the United States it was 5 per cent. As I said in my speech, the productivity gap has been brought down in this industry from 30 per cent to 20 per cent. I hope this trend will continue.

Mr. Hales: Mr. Chairman, just to put the record straight: That is for one industry only, the automotive industry, and if you lump all industries together, that is not a fact.

Mr. Pepin: I have figures on that, too, Mr. Chairman. I gave figures in my speech and I have further figures showing that the productivity increase in Canada is faster than it is in the United States at this time, and has been for the last ten years or so.

Some hon. Members: Hear, hear.

Mr. Pepin: In view of the size of the gap which existed before, that kind of news does not cheer one completely, but it is nice to know that the gap is being minimized, even if it is not being minimized rapidly enough.

The hon. member for Winnipeg North also said a number of things on the subject of automobiles. He paid his compliments to the agreement. However, he also talked about the number of workers being laid off, in particular at the Ford plant in Windsor.

• (8:20 p.m.)

As I said, many of these lay-offs are temporary, resulting from the construction of a new plant. One could very well make the point that, had it not been for the decision to build a new plant, these workers would have been laid off permanently. This situation would have been worse than the one we now deplore. I must emphasize the fact that these workers will be coming back to better jobs, more secure jobs, and there will be 200 more of these jobs than at present. I must repeat also that the workers with seniority will receive up to 95 per cent of their present income. Unfortunately, those who have been employed for less than 30 weeks will not receive this advantage. I have to emphasize, and I checked this at the time, that there is alternative employment in the Windsor area, again partly the result of the automobile agreement.

Hon. members know that Ford is building a new engine plant in Windsor which will produce about 900,000 engines per year, and will employ 1,200 people. Chrysler is also building a new engine plant which will provide work for an additional 1,500 people. Many of us would like to see developments of this sort take place in our ridings. However, I sympathize with the temporary situation in which some individuals find themselves.

The hon. member for Wellington was interested in the blueberry project to which reference was made in the estimates. This project was undertaken at the request of the governments of Nova Scotia, New Brunswick and Prince Edward Island. The department is having a look at the possibility of processing these berries. This is a processing, an industrial, not an agricultural problem. It is an industrial problem which is related to individual productivity, to exports, by freezing the berries. The project was undertaken with the full co-operation of the federal Department of Agriculture, so there is no duplication. The hon. member is rightly concerned about avoiding duplication.

On the subject of grants, the same member feels that there is not enough concentration of these grants, which he might call scientific grants. He seems to think that all these subsidies should be handled through the science secretariat. While that is debatable, I presume that if we had a minister of science he would want to have most of these things in his hand. There would be a few of us, however, not opposing this procedure because we are a disciplined group, but making the point that our departments may have some expertise to contribute that might not be found in the present science secretariat or in a future science department. What I mean is that these grants are given for industrial development; they are not for exclusively scientific achievements. The purpose of these grants is industrial development and they must be looked upon also from the point of view of tariffs, export possibilities, technological progress and so on. At times many members complain that our programs are not sufficiently developmental-oriented, are not sufficiently mission-oriented, and I believe it to be the

responsibility of the "operating" department to see that they are.

I venture to say, therefore, that it is not wrong for the department to make such grants.

The same member was greatly concerned about the standards council. He was afraid that we were proceeding without legislation. We are not doing that. He will understand quite easily that if we do intend to bring legislation to provide for a standards council, some preliminary work has to be done. I want to reassure him the money is not being spent now, as if the council existed.

The hon. member for Saskatoon-Biggar was concerned about grants given by my department for research in connection with rapeseed. The situation is the following: The rapeseed crushers and processors in western Canada are attempting to improve the quality of rapeseed oil and meal, so they can compete more effectively with imported oil and meal. In the interests of the rapeseed processors, the department has made a grant to a project which is attempting to reduce the toxicity level in rapeseed oil and meal. This work is being carried out by research groups in the western provinces, and we subsidized it at the level of $144,000 and supervised it too.

The hon. member for Oshawa-Whitby made what I thought was an excellent contribution and I want to thank him for it. I will not involve myself in the philosophical debate of the first two subjects he raised. We might do that at the University of Ottawa or at Carleton one of these nights.

His first point had to do with the distribution of power in contemporary society. This is an interesting subject, but the debate would likely be lengthy. His second point had to do with price fixing. I am more interested tonight in the third one, and that is the relationship between grants for scientific research and development programs on the civilian as opposed to the military side of the industrial spectrum. The hon. member seems to feel that our defence programs will lead to the formation of an industrial military elite in Canada, very much against the interests of democracy. There is no doubt that we are generous in this sector. However, I should like to present some argument in favour of that conduct.

My first point is just to remark that vote 5 is now down from $37 million to $32 million. There is a saving of $5 million over last year.

My second remark has to do also with the fact that funds available from the Department of National Defence for the same objective have gone down substantially from $60 million in 1959, at the time of the Arrow incident, to about $15 million at present.

My third point is to underline the fact that the funds are more effectively used now than they were in the past and also to underline that the emphasis is slowly, perhaps not quickly enough to suit the hon. member, moving to the civilian side. In other words, more and more importance is attached to the civilian part of these allocations of funds.

I am quite sure that on reflection, if not at first sight, the hon. member will recognize that advances in technology have very often come from military requirements. Money spent for defence materials has served the civilian side of industry as well. As an example, I would cite the transistor. The development of the transistor was highly subsidized by the United States government and everybody knows it is now one of the main elements in contemporary industrial production.

The PT-6, to which the hon. member also referred—

Mr. Broadbent: May I ask a question?

Mr. Pepin: May I finish first? The PT-6 engine built by United Aircraft near Montreal was developed with funds from vote 5 and vote 20, but half of the sales of these engines are now going to commercial companies. If I recall well, these Canadian motors are now found in 37 countries of the world. This is another example of military expenditure that is now serving the civilian side. The hon. member also knows that the C.N.R. turbo trains running between Montreal and Toronto are powered by the same engine, as are the Twin Otters.

• (8:30 p.m.)

Why do we spend money on defence projects? There are many reasons and I have indicated some. Another reason is that the risk in the defence field is greater than the risk in the civilian field. Also, such expenditures are also made by foreign countries. Hon. members may doubt that we should copy the Democrat government of the United States or the Labour government of the United Kingdom or the Social Democrat government of West Germany. All I can say is that when every other country is doing it, it would be terribly dangerous to be different. Some political parties have tried to but have not succeeded very well. Certainly a country would probably fall flat on its face if it used

the hon. member's reasoning in industrial development policies.

May I emphasize that generally I am in agreement with the motivations of the hon. member. I too would very much like the accent to be on the civilian side with respect to expenditures on research and development. I do not contest the fact, however, that expenditure on the military side does have a civilian connotation and will sooner or later come to serve the civilian side of the industry.

If my hon. friend studies the details of the matter I am sure he would realize that a Canadian industrialist who availed himself of our programs might get as much for a civilian project as for a defence project. Again we are trying to establish a proper balance.

The hon. member referred to a part of my speech to the representatives of the air industry of Canada, where he alleged I said "Your interest is mine". I have been unable to find that quotation in the text, though I may have ad libbed it, as I sometimes do. On pages 14 and 27 of my speech I referred to civilian and defence projects. For example, at page 27 appears this statement:

> However, much can be done to achieve a better balance between defence and civilian activity in the "air industry" at large.
>
> The industry's sales are now balanced at roughly 50/50 military/civil. We must consciously strive to sustain and, where feasible, increase our civil aerospace production.

So may I thank the hon. member for raising this point because it does give me the occasion to repeat what I said at that time.

The hon. member for Saint John-Lancaster asked me to pay some attention to movements that are taking place in the area development agency. I understand the difficulty he is experiencing. It has been decided to designate certain areas in his region as in need of development—Saint John, Halifax, Dartmouth and Moncton, I think they are. However, this designation cannot be made until the legislation is introduced in this house. The hon. member said that this has led to rather sad delays. However I do not think I can intrude upon the sphere of influence of the Minister of Forestry and Rural Development, though I will try and adopt the hon. member's gentle manner and sympathetic attitude in drawing this particular problem to the attention of the said minister.

The hon. member for Edmonton West expressed some concern over the machinery tariff remission program and asked me to give him a breakdown of the cost of operation of this program. The salaries will amount to $382,000. However, I must immediately point out that the cost to the government should be nil. As far as expenditures by the department are concerned, the government is going to retain the 15 per cent duty on the first $500 of value of each importation. It is estimated that since there are now between 500 and 1,000 requests for remission per month, revenue will be more than $1 million a year, which will easily recoup cost of administration. I might also add that the board will reduce the cost of manufacturing for Canadian industry by $45 million, and in doing so will make Canadian industry more competitive on domestic and international markets.

[*Translation*]

I wish to thank my good friend, the member for Missisquoi (Mr. Yves Forest) for his good words and for the excellent advices he has been giving me with his usual generosity. The textile industry is also a concern of mine and this for two reasons at least, one being that I am representing a district where textile industry is, just as in his own district, a very important part of local economy. And this is one of the subjects on which I will try in the years to come, to exert my personal influence.

This particular Canadian industry, as the hon. member said, must be rationalized; we must at any cost, in the next few months, set a long-term plan. The parliamentary secretary insisted on this, as did the owners of manufacturing plants and the union leaders who, a few months ago, presented us with a report. I shall devote all my efforts to this task.

However, I wish to say to the hon. member that there is at the present time a review made at the interdepartmental level of our policy towards countries with low salaries, so as to determine if we are doing everything necessary in that field. Of course I do not have to point out to him again that the Canadian consumer has also some interests to be reckoned with and that Canada, a country exporting such a large range of products, can hardly apply a protectionist policy in that field and demand that other countries act otherwise elsewhere. It seems apparent that various interests are at stake, and this is why my honourable friend insisted on a long-term solution. Some officials of my department are now carrying out studies on the textile industry, on its competitive position in the world, on sectors which are profitable, less profitable, or a dead loss. It goes without saying that all this will help define a policy

which I hope to introduce in the house one day.

[*English*]

Mr. Hales: Mr. Chairman, I appreciate the minister's observations, though some of the points he made may be debatable. However, I do not propose to take time now to answer them.

I understand we are about to proceed to vote No. 1, but before doing so I should like to get clear in my mind the situation regarding the separate departments of industry and trade and commerce. I would ask the minister whether or not the minister of industry has been appointed, because if he has there is no salary appropriation for him in the estimates. The first estimates that were tabled—not the revised ones—for the year ending March 31, 1969, show an appropriation for the minister's salary. The revised estimates, however, do not provide for the minister's salary. Apparently we have a department without a minister to head it. Would the minister care to comment on that.

• (8:40 p.m.)

Mr. Pepin: It is very simple. You have a Minister of Trade and Commerce who is at the same time the Minister of Industry. As he cannot be paid twice by the Queen he receives only one salary, and from the Department of Trade and Commerce. You see, there are two departments and I am the minister for both departments. From that point of view I suffer from schizophrenia, but I receive only one salary for the schizophrenia from which I suffer.

Mr. Hales: Perhaps the minister could find out from his officials to what date the former minister of industry received his salary.

Mr. Pepin: He received it until he was transferred to his present position as President of the Treasury Board.

Mr. Broadbent: Although I found the minister's remark interesting he did not go into the question of the distribution of power within the ministry. At some future time I should be happy to hear him speak about the distribution of power within our economic system.

I notice the minister did not refute the points I raised; instead he said he could not find the quotation. I will repeat it. At page 31 of his speech to the Air Industries Association of Canada of October 9, 1968, he said, "Your interests are mine." Perhaps the minister may want to look into that, since my copy of the text may be inaccurate.

I do not mean to quibble about points the minister raised; he said that society received undoubted benefits from some forms of military research and development. No intelligent person denies that; but my reply is, "So what?". I dare say the furnace industry in Germany benefitted from Hitler's experiments in the 1940's, but that is no justification for burning people. Similarly, I do not see where certain benefits from the research undertaken in fields of military technology justify the spending of millions of dollars for that research. From my reading and from my gleaning of facts I have learned that over 50 per cent of government moneys going into research and development promotion go into research undertaken for military purposes. The minister did not deny this purported fact.

My third point was that currently it is more profitable for industry in Canada to undertake research in military fields. Under existing laws the greatest benefits accrue to the kind of research that is carried out in military areas; those benefits are greater than the benefits accruing to research in non military areas. Since the minister did not deny that categorically I can only conclude that my arguments are substantially correct.

Mr. Bell: Mr. Chairman, I refuse to become confused by the minister's explanation of his responsibilities. At the moment all I know is that he has some over-all responsibilities in the field of industry, and that worries me. In one of his replies in this house he said that it has been made clear that no grants will be available to Saint John, Halifax and Fredericton until the new legislation is brought down. That is understandable, perhaps.

I note that the Area Development Incentives Act ceases to be effective on March 31, 1971. I also note that the Area Development Board to some extent is to be phased out. In any event, there is some doubt about its future. The minister cannot know about all this; certainly, that board has been a vehicle providing assistance to industry. The three entities, measures or bodies—call them what you will—that have been of assistance to industry in general are being transformed or phased out. It may be one or two years before something else that is concrete does the same job—we all know how long it takes to put legislation through this house. In the meantime I feel that the minister has the responsibility to say categorically that no industry in

the maritimes will receive less assistance in the near future than it received in the past. He should let industries know that amounts of money available for assistance will not be decreased. As Minister of Industry he has a responsibility to make sure that parts of the country needing assistance in industrial development do not suffer, and that moneys available to those parts of the country will not be lower.

Mr. Gilbert: Mr. Chairman, it is difficult to criticize the Minister of Industry, Trade and Commerce who is probably the happiest minister in the cabinet, as well as being the most co-operative. I merely want answers to a couple of questions.

First I want to know whether he is a continentalist or a nationalist. This is an important question. From my reading of a summary of a statement the Prime Minister made last week, in which he took an inventory of the just society, he seemed to say so far as the automotive industry is concerned, "We have lost it." Does the minister feel the same way? Is he putting up the white flag, surrendering, and saying he is an integrationalist and continentalist?

Think of Sweden, Mr. Chairman, with a population of around 8 million. It has an automotive business. Think of Italy, France, Germany, England and Japan; they all have developed automotive businesses. Yet here in Canada we are surrendering this field to the United States. When I look up in the gallery and see all those high priced officials it seems to me we could ask some of our experts in the research development area to develop this automobile business.

• (8:50 p.m.)

I hope the minister does not hold the same views as does the Prime Minister, and has ceased to be an integrationist. When I look across the chamber I try to find nationalists, but it is extremely difficult. So many are becoming continentalists. The only one I can think of who might be a nationalist is the hon. member for Scarborough East. He is an economist, and I understand he helped Walter Gordon, who is Canada's No. 1. nationalist. I should like to hear him say: "I am a nationalist." I should like to hear him set forth some of the ideas which he and Walter Gordon developed, and try to help Canada. The Postmaster General may be of the same ilk.

I should like to find as many nationalists on that side of the house as I can, because there is a terrible trend developing in Canada involving the complete collapse of any nationalist feelings. Again, I look over at the hon. member for York North who has been a very successful businessman in Canada and who has been making a great contribution to parliament up to this date. I should like to ask him whether he agrees with the trend in Canada today with regard to continentalism.

Mr. Danson: The hon. member was not around to hear my speech the other day.

Mr. Gilbert: I apoligize to the hon. member if I did not hear him. I hope he developed the theme of nationalism.

Mr. Danson: I will send the hon. gentleman a copy.

Mr. Gilbert: I would certainly appreciate a copy from the hon. member. When I think of the rift which developed during the leadership race, how the former minister of trade and commerce became a continentalist, and how the present Secretary of State for External Affairs took the continentalist view—it seems that the nationalist view was put down—it occurs to me there was not at any time any forceful exposition of an expressly Canadian viewpoint. I notice that the hon. member for Scarborough East is getting agitated. I think he should; I think he should get up and express to us his views on nationalism.

There is another point I should like to bring to the attention of the likeable minister, and that is the question of the profits which manufacturers of automobiles are making. I recall that last session a special committee of the House of Commons was set up to study prices to consumers. An attempt was made to investigate car prices, but it did not succeed. If the figures given by my hon. friend from Winnipeg North are correct—and they show that in some years there was a profit of 80 or 90 per cent on capital invested in the business, and that the overall profit on the capital operation is roughly 30 per cent—it is obvious that Canadians are being charged too much for their cars.

I should like to hear the minister say in a straightforward way that he will undertake to have this question referred to the standing committee which is responsible for corporate affairs, or to some other committee, so that we might study car prices in Canada. If Canadians are getting bilked, I believe the minister would be the last person to wish to see such a situation continue.

Looking across the chamber, I happened to notice the hon. member for York West. The other day he made a statement that the committee on finance, trade and economic affairs was a charade. I should like the hon. member to tell us just why he thinks this particular committee, which has been studying anti-dumping legislation, is a charade, and what alternative assistance could be provided to the minister in this important area.

Mr. Hales: Could the minister tell us when the chairman of the machinery and equipment advisory board was appointed, whether this is a full-time position, and who set the salary at $28,750. Could he also tell us the name of the chairman? While I am on my feet, perhaps the minister could give us a brief outline of what is meant by foreign services. I see here the phrase "administrative and foreign services". What is involved in "foreign services"?

Mr. Pepin: The foreign service section is composed of departmental officers in Europe and in Washington who are involved in the sale of Canadian defence material. The chairman of the advisory board is Mr. C. A. Annis. His salary was set by Treasury Board, and it is a full time job.

I do not wish to take time in which to answer the rather philosophic questions raised by the members of the New Democratic party. The debate about continentalism and nationalism is a very old one—as old as confederation, as old as Canada, as old as the world. I do not think we could resolve it tonight. Once I said, smilingly as usual, but seriously as usual, that I could be a continentalist if that were in the national interest. That is a better answer than hon. members might think it is. One does not solve these questions by a yes or no, or by an attitude which divides everything into black or white. The issue is much more complex than that. I am sure hon. members opposite realize they have touched on a debate which might last a very long time. The hon. member was trying, as he said, to "agitate" me; but he has failed, on this occasion.

Mr. Hales: Can the minister advise the committee as to his future plans concerning these foreign services? It seems to me it would be most unnecessary to have a foreign service in the department of Industry when we now have a Department of Trade and Commerce the estimates of which provide for the services of officials all over the world. Why have people duplicating their efforts, doing the same job?

Mr. Pepin: The answer is simple. They will be closely associated with the trade commissioner services.

Mr. Hales: Would not the minister be considering reducing the staff and letting the Department of Trade and Commerce do this work?

Mr. Pepin: I must tell the hon. member that these men operate in a highly specialized field. Trade commissioners are usually generalists. These officials are specialists, as opposed to the first group. But we can bring up this question when we introduce the legislation to create the new department. At that time I will report about the expectations we have of saving a few positions here and a few positions there, a few hundred thousand dollars here and a few hundred thousand dollars there. This will come in due course.

• (9:00 p.m.)

Mr. Hales: Under administration, vote 1, we have an amalgamation of industry and trade and commerce, yet the estimate shows an increase of $127,850 for telephones and telegrams. Since we are supposed to be amalgamating departments it seems to me that this is out of line and that there must be something wrong.

Mr. Pepin: I presume that the telephone bill was not previously for communications with the Department of Trade and Commerce. It was for phone calls outside of government. I do not see why this should change to any extent. I presume that the growth in the estimate is the natural growth in the importance of the department.

Mr. Hales: It must be a tremendous growth in any department of government to have an increase of $127,850 in the simple charge for telephones and telegrams.

Mr. Skoberg: Under professional and special services can the minister say how many outside consultants were used, and at the same time, inform us whether these services were tendered for, or sought on request by the department?

Mr. Pepin: I am informed that we seek bids for services, and after a proper analysis of the bids the best man wins.

Mr. Skoberg: Could the answer be made along the lines of how many bids there were, and how much was spent on outside services?

Mr. Pepin: As the debate goes on I will try and answer that question.

Mr. McCutcheon: While the minister is looking that up could he tell us what the extra half million dollars was for under this item?

Mr. Pepin: Mr. Chairman, if we could proceed I will give the explanation at the end of the debate.

Mr. Gleave: Mr. Chairman, I still have some questions on the rapeseed item. Shall we take them on vote 3 or vote 1?

The Chairman: I think we can proceed on vote 1.

Mr. Gleave: I note that the grant to promote improvements in the manufacture of rapeseed is reduced from $180,000 to $144,000. Why has it been reduced, and what was the nature of the reduction?

Mr. Pepin: The obvious is apparently the truth. Some of the work has been done, so there is less need for more work, and consequently there is less need for more money.

Mr. Gleave: But our markets have not been improved that much.

Mr. Pepin: I am informed that the study will be completed this year, and that there is less need for money because the study is coming to a conclusion.

Mr. Gleave: These were studies to promote improvement in the manufacture of rapeseed products. Does the department do any work on the improvement of strains or varieties, or is that left entirely to the Department of Agriculture?

Mr. Pepin: It is a market study to promote improvement, and the study is coming to a conclusion. I presume if there is any promotion to be made the Department of Agriculture or the industry itself more probably will be responsible for it.

Mr. Gleave: I would also like information on the GATT negotiations. Was the rate of tariff on the entry of soybeans into the United States altered as a result of the GATT negotiations, and was the rate of tariff on rapeseed entering Japan altered as a result of those negotiations?

[Mr. Pepin.]

Mr. Pepin: I think the hon. member will want to be generous and accept my promise to write him and give him the proper information. This is something I do not have at the tip of my finger or in my book for that matter.

Mr. Gleave: All right, it would be fine if the minister would be kind enough to do that. I would also like to know the amount of money or effort which the Department of Trade and Commerce is spending on the promotion of the sale of rapeseed into Japanese and western European markets?

Mr. Pepin: I say "bis" to that.

The Chairman: Order. I would point out that we are dealing specifically with the estimates of the Department of Industry, and to the Chair it appears that this might be a question to be raised on the estimates of the Department of Trade and Commerce.

Mr. Gleave: Mr. Chairman, the rapeseed item is here. Certain amounts of money have been spent. I am interested in why these amounts of money have dropped $40,000 in the current year, at a time when export markets are of vital importance to us. I am quite willing to accept the minister's statement that he does not have the information at the moment but, Mr. Chairman, I am not willing to accept an implication that these questions should not be asked at this time. I think the tariff changes are of importance and that is why I asked the questions. If the minister is willing to give the answers to me in due time, this will be satisfactory.

I see no items here for the Canadian Wheat Board. I know that the Wheat Board to a large extent, almost entirely, is self-financing. I assume that is why there are no items here for that board, which comes under the Department of Trade and Commerce. I may say I am somewhat disappointed that the Department of Trade and Commerce is not spending some money promoting the sale of rapeseed in overseas markets. I had been under the impression that the Department of Trade and Commerce was making some effort to promote the sales of rapeseed in overseas markets, particularly Japan. I am surprised, when these estimates are before us, that there is no evidence in them that the Department of Trade and Commerce is spending time and money on the promotion and marketing of rapeseed. I would be very pleased if the minister could assure me that they are spending some time and money on the promotion of rapeseed.

Mr. Pepin: Everything the hon. member is saying is true. There is no credit here for the Wheat Board because it is a self-sustaining institution. Money is being spent for rapeseed promotion. Probably the hon. member was not present when this matter was raised. There has been a mistake. These are indicated as the estimates of trade and commerce in the blue book, but it includes only industry. The estimates of the Department of Trade and Commerce are going to a committee. Only the estimates of the Department of Industry are taken here to day.

Mr. Gleave: Am I to understand from this, Mr. Chairman and Mr. Minister, that there may be some moneys spent on the promotion of rapeseed but those estimates will go to a particular standing committee?

Mr. Pepin: Yes, sir.

Mr. Skoberg: Under the item "Expenses of conferences, seminars and sundries," I notice there is a reduction of close to $50,000. I should like to know why and in what area the conferences have been reduced, because I believe these have been most beneficial throughout the country.

• (9:10 p.m.)

Mr. Pepin: Well, Mr. Chairman, I really cannot give an answer to that. May I suggest, as in the previous case, that I write to the hon. gentleman, because I simply did not expect to be questioned on such details. The only answer I could find would be out of my imagination, and I do not think, Mr. Chairman, you would want me to give that type of an answer.

Mr. Skoberg: I might agree with that, so long as the minister realizes that these conferences are most important throughout Canada.

Mr. Pepin: I do.

Mr. Skoberg: If the minister realizes that, I will accept the explanation.

Mr. Broadbent: I should like to continue with some of the questions I put to the minister, to see whether he would at least reply more directly to some of them. Does not the minister feel that the situation which exists in Canada now is much more conducive to the development of military research or defend research than it is to non-military research? I have in mind specifically the kind of grant that is provided which enables industries engaged in defence production to be completely reimbursed in terms of original grants, whereas if research is done in the civilian sector the industry must pay for it if the project should turn out to be profitable. Does not this in fact provide greater encouragement for available capital to go into the defence sector, rather than in the civilian sector of the economy.

Mr. Pepin: I think I have said everything I could say on that subject. I have indicated quite clearly that some of the pangs suffered by my hon. friend are also in part mine, although I realize better than he does the seeding effect of defence production. I have already indicated also that I am looking forward to even more money being given to development and growth in the civilian sector. So I believe I have indicated that I understand his preoccupations. I share them in part.

I also said that this orientation had been undertaken by the department before I came in. It is not often that a minister does not claim to be the originator of such moves! This orientation had already been taken, in the sense that less money was being assigned proportionately speaking to the defence part of the industry, and more money to the civilian side. I have indicated that if my hon. friend would like to do the mathematics, a combination of IRDIA and PAIT, the two programs I talked about this afternoon, would give him quite a lot of governmental support and as much as he would get on a defence project. So, I do not think there is too much disagreement between us. I feel that the debate on this subject, however interesting it is to me as well as to my hon. friend, might now be suspended if not concluded.

Mr. Broadbent: On that point, Mr. Chairman, perhaps we do differ in our mathematical calculation, but more specifically on the question of the degree of pain that the minister claims he shares with me. Incidentally I did not use that term myself originally. I suggest, with respect, he is much more in a position than I am to deal with the problem of his pain.

Mr. McCutcheon: Mr. Chairman, I do not know whether I properly understood the answer to a question I asked regarding the professional and special services. Was the minister to give us that information later?

Mr. Pepin: I can only read from the document which has been give to me. "The object

of the vote for professional and special services covers fees and commissions for professional and special services. The following constitute the major items of the increase. The first is the study of a Canadian communications satellite." I should have thought of that one, because it is a $550,000 item which accounts for the increase.

Item 1 agreed to.

3. Grants as detailed in the Estimates, $1,993,000.

Mr. Hales: Mr. Chairman, I wonder whether the minister would attempt to get me out of the sea of confusion here. There is an item headed grants to the Canadian Standards Association, and the amount is $50,000. Then there is a grant to assist in establishing a national standards association. On top of that I understand the department intends to set up a standards council of Canada. Would the minister try to tell the house what this is all about. It looks to me as though one is established, one is to be increased, and so on.

Mr. Pepin: Well, the $50,000 item apparently is a standard grant of money given annually to the association. The $80,000 item is the expenditure incurred in developing the legislation that would create the national standards council.

Mr. Hales: I thought the minister had told the house earlier this evening that no money had been spent on setting up the standards council of Canada. Now we are told that $80,000 has been spent to set it up. The point I raised this afternoon is that a standards council of Canada is being set up, and $80,000 is being asked to set it up. The show is on the road, and now you will come back to the house some day to ask that legislation be established to set up a national standards council of Canada. I do not think this is the way to do business. The minister should come into the house and say that he wants to set up a standards council of Canada, explain what the idea is, and then the house could approve or disapprove. At that time he could ask that the money be provided to proceed with it, and the house would give its approval. This is no way to run a business, and I think the government should stop this practice which has been followed in so many cases. The manpower department set up a whole training program, and then came to the house to ask for its approval.

Mr. Pepin: I hope I did not say it as my hon. friend indicated I did. We will look at it tomorrow in *Hansard*. I think I said the money was not being spent as if the national council existed. I thought that was what I said. In any event the $80,000 is money assigned for the preparation of the legislation. My hon. friend has some interesting views on this, but it seems to me that when you come with a bill to the House of Commons you do not come only with a resolution; you come also with a bill that will be taken through first, second and third readings. So it seems to me that some preliminary work must be done even in order to bring the suggestions to the attention of members of the house. At any rate I will see to it that as little money as possible is spent.

[Mr. Pepin.]

Mr. Hales: I think that not only the minister but also the government probably is in a very unorthodox position. What would happen, for instance, if the house turned down the legislation for the setting up the standards council of Canada? I for one have very grave and sincere views concerning the setting up the standards council of Canada, when there is an associaton now which is doing a good job and which will probably continue to do it a lot better and more cheaply than the government could do it. I do not believe it is necessary to set up another bureaucracy in order to do such a thing. However, the government intends to go ahead and set up a standards council whether we want it or not. I do not think we should be asked to vote $80,000 to set up this council, and I am of two views as to whether I should allow these estimates to pass tonight. As far as I am concerned, I will have to make a decision in this regard.

• (9:20 p.m.)

Mr. Peters: Mr. Chairman, I am not sure what this vote involves, so far as the standards council is concerned. I hope the minister will give some consideration to the establishment of standards in the field of international trade. The necessity arises for someone to make a decision whether Canada, the United States and the western hemisphere should superimpose standards on the rest of the world. I am sure the minister is aware that most international trade is carried out on the basis of the metric system, yet we in Canada are still operating on the basis of pounds, ounces, and drams. Most other countries in the world operate on the basis of a straight metric system.

Following the establishment of this standards council, will one of its jobs be the creation of a system to maintain equity on the international trading scene? Will a system be established to give an indication that Canada will be in a position to develop standards compatible with those in existence in the rest of the world? It has been my contention for some time, and obviously by the number of similar bills on the order paper the contention of a number of other members, that the Canadian system should be changed in all forms to a decimal system. While some countries do not use the decimal system as far as currency is concerned, most of these countries use this system in terms of weight. This creates some difficulty in international trade. Because of the monetary structure throughout the world, we now find ourselves in a position of advantage in relation to countries using the metric system. This causes a great deal of confusion. I have in mind the standards of the western hemisphere in respect of automobiles made here and automobiles imported from France, England and many continental areas including, Italy, Germany, and other countries.

If we intend to establish a standards council the minister should outline the government's function in this regard. I am sure there is going to be some disruption, no matter when we decide to change over, but it is probably easier to adopt a total and complete decimal system when several countries are experiencing serious monetary difficulties, than at any other time. If we are to set up a standards council which will interest itself in trade, and the development of our industries, some consideration should be given to the standardization of a system of measures. Canada should then convert to a specific system, rather than waiting until a system is developed which will be more to our advantage.

Mr. Pepin: Mr. Chairman, I feel that the hon. member for Timiskaming and the hon. member for Trois-Rivières have the same preoccupation. The hon. member for Trois-Rivières has written to me on a number of occasions regarding this specific matter. When this matter comes back before the house I will explain the relationship between the proposed council and the metric system. One of the functions of that council, I am sure, at least I hope, will be to study and propose methods of implementing this system in Canada. My hon. friend is aware that we are a neighbour to the United States, and even if a large percentage of world trade was carried out in the metric system, the United States is an important customer of ours, and that country has not changed its system as yet.

I am sorry that I may have misinformed the hon. member for Wellington. The amount of $50,000 is an annual grant to the National Standards Association. Perhaps I should have checked first, but I am now informed that the $80,000 grant to the national standards council is for that council when it comes into being. I am sorry to have given the wrong information.

Mr. Gilbert: I should like to direct the minister's attention to the grants to the manufacturers in Canada who apply for government insured loans under the agricultural adjustments assistance program in relation to the Kennedy round agreements. I note the amount is $650,000. I do not expect the minister to have details tonight, but I should like to know some of the facts in relation to the larger grants to particular companies. I have in mind government grants to these companies during the transitional period resulting from these Kennedy round agreements. They apparently continue to have a chamber of commerce application to the disadvantage of the employees who work for the companies. I should like to know the results of a study made in respect of these grants to manufacturers during the transitional period. Perhaps the minister can give us some indication of the amount of money these companies receive as a result of these agreements.

I was under the impression that the parliamentary secretary to the Minister of Finance when introducing these estimates said that these grants had not been taken up by the manufacturers. I must have been wrong. I would appreciate it if the minister, if not tonight, would inform me as to some of these major grants. Perhaps he could do so by writing me a letter.

Mr. Skoberg: Mr. Chairman, under item No. 3, grants to industrial research organizations, the minister referred to agricultural machinery. If that is not so I apologize, and suggest I misunderstood because of my inability to understand French.

Mr. Pepin: In my opening remarks I was referring to automotive machinery.

Mr. Skoberg: I understood the minister also referred to other machinery, particularly agricultural machinery.

Mr. Pepin: I am informed that agricultural machinery for the farmer is tariff free, so it is not covered in any event.

Mr. Skoberg: I believe some suggestion was made in so far as research is concerned, and I should like to suggest to the minister that there is dastardly neglect in respect of the agricultural economy. I would ask the minister whether he has given any consideration to industrial research associations interested in testing farm machinery. Many years ago the agricultural machinery administration for Saskatchewan made some study of this matter. At that time it came under the jurisdiction of the Department of Agriculture. I presume now that this could come within the general scope of research associations within the jurisdiction of the minister's department.

• (9:30 p.m.)

I must say that I was not able to follow the translation clearly, but this afternoon I understood the minister to suggest that agricultural machinery would be considered under this item. I would like once again to ask him whether the government is taking into consideration at this time the testing of agricultural machinery.

The Chairman: Shall vote 3 carry?

Mr. Monteith: Mr. Chairman, I would like to follow up the questions of the hon. member for Wellington a few moments ago. I noticed that the grant to the Canadian Standards Association of $50,000 is a new item this year; nothing was spent on this item last year. I would ask the minister this question: Is it correct that there is now a Canadian Standards Association?

Mr. Pepin: Yes.

Mr. Monteith: This is a grant of $50,000 to them this year only, or might it be continued in future years?

Mr. Pepin: I understand, Mr. Chairman, that this is an annual event. Second, I understand also—

Mr. Monteith: I am sorry to interrupt, Mr. Chairman. Will it be an annual grant from now on?

Mr. Pepin: It has been annual until now.

Mr. Monteith: Where did it appear before?

Mr. Pepin: I understand that the situation will be reviewed after the council has reported. I presume we will accept the recommendation of the council as to the grant made to the national standards association.

Mr. Monteith: I am sorry to show my ignorance, Mr. Chairman, but the grant of $50,000 appears as a new item this year at this particular spot in the blue book. There is no corresponding item for last year.

Mr. Pepin: Apparently the reason is that it was paid by Trade and Commerce in the past.

Mr. Monteith: It must appear somewhere in the 1967-68 estimates. Perhaps the minister would inquire as to what page in the blue book it did appear.

Mr. Skoberg: Mr. Chairman, I have a note here—

Mr. Monteith: The minister did not answer my question.

Mr. Pepin: I am looking for the answer, Mr. Chairman.

The Chairman: Order, please. As I understand it, the minister is finding the answer. Meanwhile we will continue with the hon. member for Moose Jaw.

Mr. Skoberg: Mr. Chairman, possibly the minister should pay attention to me, because we may not understand each other too well if he does not. I have here a note that the minister referred to the procuring of equipment and production machinery, referring I believe to farm machinery. I wonder whether he would give me an answer as to whether in his statement this afternoon he referred specifically to farm machinery. The minister can take this question as notice and give me an answer later.

Mr. Pepin: I did not.

Mr. Skoberg: I did not hear the answer, Mr. Chairman.

Mr. Pepin: Mr. Chairman, I did not refer today to agricultural machinery, but I did a few days ago. The committee may recall that this matter arose in the question period, I think last Thursday or Friday. I indicated at the time, with respect to drying facilities, the attitude the Minister of Finance and myself were taking on the matter. Is this what is now preoccupying the hon. member?

Mr. Skoberg: *Hansard* will probably show it tomorrow. But if the minister did not refer

to research in respect of farm machinery, I am quite prepared to accept his answer.

Mr. McCutcheon: Mr. Chairman, the last item at the bottom of page 236 refers to a grant to assist in establishing a national standards association. The expenditure in this item drops from $150,000 to $80,000. Perhaps the minister could explain the economy. The wording looks a little peculiar, if we spent $150,000 a year ago and we now have a grant to assist in establishing it. How long will it be before it becomes established? Is this a continuing proposition? Is it established every year?

Mr. Pepin: I understand that it is now believed it can be operated for $80,000 a year. As far as I am concerned, everything is ready for the introduction of this legislation in the house, as soon as we find time to do so. I refer to legislation to create a national standards association. To answer the hon. member for Perth, the reason—this is a bit tricky—is that $48,000 was paid last year to the C.S.A. by way of a supplementary estimate. I do not know why a supplementary estimate was not included here.

Mr. Monteith: I do not know either. These are supposed to be revised estimates.

Mr. Hales: Mr. Chairman, as I understand the minister, he is asking us to provide $80,000 toward setting up a national standards association for Canada.

Mr. Pepin: That is right.

Mr. Hales: Last year the department got $150,000 toward setting up the same association. So there is $230,000 that has already been spent in establishing a national standards association. The minister now tells us that the legislation is ready and he will introduce it into the house for us to pass. I believe this is the point we have reached.

Mr. Pepin: Yes.

Mr. Hales: Mr. Chairman, I shall move that vote 3 be stood, and that we do not grant the $80,000 to set up a national standards association for Canada until the minister presents legislation to the house in order that we know what a national standards council involves, what its ramifications are, what it stands for and whether it will cover those matters in which we are interested. When we have the legislation we will know the answers to these questions. I do not think the house should vote $80,000 until we know what the minister has in mind. I do not know the procedure and whether I would have to write out my motion and give it to you now, Mr. Chairman, but I move:

> That vote 3 of the revised estimates of the department of industry be not now passed until the minister presents legislation to this house, and it is passed, setting up a national standards association of Canada.

Mr. Pepin: Mr. Chairman, I am very interested in keeping my reputation as a flexible man, a smiling man. So I accept the suggestion made by the hon. member for Wellington and suggest that we agree with the motion he made.

Mr. Hales: I thank the minister, Mr. Chairman.

The Chairman: Is there agreement that this item stand?

Mr. Peters: No, Mr. Chairman. I am very much in favour of this item. I note that the department has already dropped the amount from $150,000 last year to $80,000 this year. I also support the idea of the hon. member for Wellington that we should have more detail in this regard. The hon. member for Trois-Rivières, I am sure, and myself would very much oppose dropping this item if it meant there would not be a continuation of the study respecting the metric system and the standards, weights and measurements used in Canada. On the other hand I agree with the hon. member for Wellington that we should have more details in this regard. I am sure that if the minister thinks about it for a minute or two he will be able to give us the reason for the department asking for this amount. For the minister to agree that we drop it, which I gather is what he is suggesting—

Mr. Pepin: Mr. Chairman, my mother was very right. She said to me one day, "If you try to please everybody, you will not please anybody."

Some hon. Members: Oh, oh.

Mr. Pepin: Let me try to make it clear. The $150,000 for last year was not spent because legislation was not introduced in time. Plans did not materialize as rapidly as was hoped. The reason for the $80,000 is the expectation that this would be for one part of next year. I presume it was expected that legislation would be passed about March or April,

and then there would be enough provided to maintain the council for the rest of the year. This is why I do not propose to say any more, in an effort to be conciliatory.

• (9:40 p.m.)

Mr. Peters: I am sympathetic to both positions, but I do not want to get into the position of supporting neither one. Even if we have some money left over from last year, it does not seem to me it can be directed for a specific purpose. I believe that the establishment of a standards council is worth while, but I agree also that the minister should be more specific about what it is going to do. I have a very definite direction in which I want to see this council progress. I am sure that the hon. member for Trois-Rivières agrees that we want to see this council directed toward international trade. This will involve some compromise at least with the metric system, and the standards we have been using for our trade. We may have enough money to carry on this year, but I think the argument made by the hon. member for Wellington will be repeated next year. He probably wants some declaration as to the purpose of that item. I believe this is really all that is being requested.

Mr. Pepin: I did not want to get into a big quarrel about this because it seemed to me to be a tempest in a teapot. The hon. member for Wellington asked me to cut it out, so I said all right and I would bring it back when the bill is introduced. Nobody is suffering, any way you look at it. I would have preferred to let the item remain, but by hon. friend on the other side, who is a keen defender of public finance, feels that it should be out. I do not want to quarrel with it so I am suggesting, in the spirit of Advent and in the interests of advancement, that we agree.

Mr. Gleave: Perhaps I can get the $36,000 back for rapeseed.

[*Translation*]

Mr. Mongrain: Mr. Chairman, my colleague, the hon. member for Timiskaming (Mr. Peters), mentioned my name several times and once again I will agree with him. I would not be very happy if that item no longer appeared under that credit, especially if we were not assured that it would not hurt in any way that standards office which would provide for the changing of our measure system, as far as the eventual adoption of the decimal system is concerned.

Like the hon. member for Timiskaming, I am one of those who are convinced that we are even a little late here in adopting the decimal system. England set up a commission which studied the problem and decided that the decimal or metric system, if you wish, would be applied over a certain number of years; it is a change which takes 7 or 8 years. France has been using it for a long time as well as almost all the countries of Europe. Australia adopted it recently. The United States also have set up a commission which is studying the problem and we are told that it is preparing a report and will recommend that the system be adopted.

This means that we, in Canada, will have to follow, but to be able to do so, some organization will have to establish a modus vivendi, a program enabling as to adopt the decimal system within a given number of years, and according to methods prepared in advance. Such an organization, and I refer to what the minister said earlier, should have a minimum budget enabling it to undertake studies and report later.

I said that we are behindhand and the minister stated that he would prefer that this be included in that item. If he prefers it, it is precisely because he has foreseen the adoption of a piece of legislation which will have to be considered by a competent commission.

I had the opportunity to receive from the minister some quite enlightening information in that connection and I think that the house should not cut that item, because it is quite important for the modernization of our weight system and also the combination of our measure system with that of European countries adopted by most commonwealth countries, including Australia and soon to be adopted by the United States.

Now, I think that the amount provided should be left to the minister, because it is a rather small amount and there is no likelihood of any scandal or squandering. We would be foresighted if we gave to that commission the means to report to the government in the shortest possible time and suggest the measures to be taken in order to apply the decimal system. I support the suggestion of my friend the honourable member for Timiskaming and I think that the house should also approve it.

[*English*]

Mr. Hales: I was in hopes that we would pass these estimates tonight, and I do not want to delay them. However, a principle is

involved here. It is not a question of deciding whether we are going to have the metric system, whether we are going to have standard sizes for ladies dresses or whether we are going to have standards for electrical motors. The principle involved here is this, that the minister should present some form of legislation, so we know what is involved in a standards council of Canada. Then, I think the house would be only too happy to pass the vote for $80,000, or whatever it takes. However, I do not think we should pass the vote for $80,000 when we do not know what it is for, or what form the legislation is going to take. This was my point in asking that vote 3 should not be agreed to at the moment, but that we could proceed with the other items. The minister may wish to enlarge on what I have said.

The Chairman: Is it the wish of the committee, then, that vote 3 stand?

Some hon. Members: Agreed.

Mr. Pepin: I have accepted the suggestion made by my hon. friend, so I do not think there should be any difficulty in dropping it.

Mr. Hales: By "dropping it", you mean there is no item of $80,000 in there, I take it? Is that agreed?

The Chairman: There are certain procedural difficulties that have arisen at this point, and I should like to consult with the officers at the table. There is some uncertainly in the mind of the Chair as to exactly what agreement has been arrived at between the minister and the hon. member for Wellington. Perhaps the minister would like to explain, so we would be in a better position to make a decision.

Mr. Pepin: I will take the contrary position. As I understand it, the hon. member and the committee would be willing to pass vote 3 with the exception of the $80,000 assigned to the national standards association, so perhaps we could do it that way without getting into procedural difficulties.

Mr. Hales: If it might assist the Chair, I shall withdraw my motion in view of the suggestion made by the minister.

Amendment (Mr. Hales) withdrawn.

The Chairman: This, then, involves a procedural difficulty in that another minister has to move that the item be reduced by the sum of $80,000. If possible the Chair would like a motion to that effect.

• (9:50 p.m.)

Mr. Mongrain: Mr. Chairman, could I ask a question?

An hon. Member: Sit down. You are not a minister.

The Chairman: Order. Perhaps we may clear up this temporary procedural impasse before we move on.

Mr. Davis: I so move, Mr. Chairman.

The Chairman: Is the committee ready to debate the motion?

Mr. MacInnis (Cape Breton-East Richmond): Mr. Chairman, before you put the question I should like further clarification of the minister's explanation regarding the $150,000 vote in 1967-68.

Some hon. Members: Oh, oh.

Mr. MacInnis (Cape Breton-East Richmond): As I was entering the chamber I understood the minister to say that this $150,000 would be carried over. I also heard a reference to the fact that it would be added to the $80,000.

Mr. Pepin: Mr. Chairman, I said that the $150,000 was not spent and was returned to the receiver general. This is an entirely new item, and we have now agreed to pass vote 3 with the exception of this amount of $80,000 for the national standards association.

Mr. MacInnis (Cape Breton-East Richmond): I should like to know whether this $150,000 has been spent. It is my understanding that any vote not used last year cannot in any way, shape or form be spent again by the government unless it is reintroduced in this house in the proper way. If $150,000 was not spent last year, then it should not be spent in some other way without being reintroduced.

Mr. Pepin: This is why we introduced a new vote for $80,000.

Amendment (Mr. Davis) agreed to.

The Chairman: Shall vote 3 as reduced pass?

Some hon. Members: Carried.

Item agreed to.

(The following items were agreed to:)

5. To develop and sustain the technological capability of Canadian defence industry for the purpose of defence export sales or civil export sales arising from that capability

(a) by supporting selected development programs,
(b) by paying one-half of the cost of the acquisition of new equipment required for plant modernization, and
(c) by supporting the establishment of production capacity and qualified sources for production of component parts and materials,

on terms and conditions approved by the Treasury Board and to authorize, notwithstanding section 30 of the Financial Administration Act, total commitments of $150,000,000 for the foregoing purposes during the current and subsequent fiscal years, $32,000,000.

10. To advance the technological capability of Canadian manufacturing industry by supporting selected civil (non-defence) development projects 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.

15. Capital subsidies for the construction of commercial and fishing vessels in accordance with regulations of the Governor in Council, $32,500,000.

Mr. Crouse: Mr. Chairman, the amount shown under this item is $9.5 million less than the previous years' amount. I am wondering why this particular expenditure has been curtailed, since this money was instrumental in providing much needed employment in our shipyards while adding to our commercial and our fishing fleets. Without a shipbuilding subsidy, our shipbuilders cannot hope to compete with builders from the United Kingdom, The Netherlands or Japan. This is due in part to our high labour costs and the high cost of materials, and due also in no small measure to the present high rate of taxation.

At the present time there are no ships under construction in my constituency. However, this does not indicate that none are required, not only in my constituency or in Nova Scotia, but throughout the Atlantic provinces. As our fishing vessels become obsolete they must be replaced. At the present time there is need for new scallop draggers and ships are required for the queen crab industry. However, unless the government recognizes its responsibility to our shipbuilding industry and to our fishermen by establishing a shipbuilding policy, the ships presently required by Canadians will be built in foreign lands. This will only aggravate our present serious unemployment problem.

When a ship is built in Europe it does nothing for the shipbuilding industry in Canada. It does not contain any wood or steel supplied by Canadians. It does not contain any heating equipment, any electronic gear or have on its hull paint manufactured by Canadians. I know of no industry comparable to the shipbuilding industry that makes a greater impact on our over-all economy. For the construction of a ship is comparable to the building of a small village: it needs heat and light and power, and a whole multitude of materials, right down to the wooden rolling pin for the chef in the galley.

[The Chairman.]

The minister and the government think nothing of increasing the amount for professional and special services to $1.6 million, or spending $127,000 more on telephones, as the minister informed us this evening. But when it has under consideration a matter of such great importance as assistance for our commercial and fishing vessels, the amounts are cut down as an economy move.

Surely, Mr. Chairman, the minister is aware of the impact that the present lack of policy on the part of the government has on the shipbuilding industry. With no ships to build, our shipwrights are forced to seek other occupations and they can soon lose their skills. I would also point out that the present amount of subsidy is insufficient to cover the cost differential between Canadian and foreign builders.

For these reasons, Mr. Chairman, I would ask the minister to exert some pressure on his colleagues to provide a shipbuilding policy for Canada at an early date. Could the minister give me any indication of what his department is planning, so as to provide this much needed assistance to this very important industry, one which is of great concern to so many Canadians?

Mr. Pepin: Mr. Chairman, this vote has been cut from $42 million to $32 million, not because it is an indication of a lack of interest but simply because under the present circumstances the demand for shipbuilding at the moment led us to believe that $32 million would be sufficient. My colleague the Minister of Fisheries recently had conversations with representatives of the government of Nova Scotia, and they agreed that there would be a slow-down in construction this year in view of upward trends in the shipbuilding industry in previous years. The reduction from $42 million to $32 million does not imply lack of interest on the part of the government, but simply an analysis of the facts.

Item agreed to.

(The following items were agreed to:)

LOANS, INVESTMENTS AND ADVANCES

Industry and Trade and Commerce—

Industry—

L75. Advances, subject to the approval of the Treasury Board, to assist Canadian defence industry with plant modernization in amounts not to exceed one-half of the cost of the acquisition of new equipment, such advances to be recovered on sale of the equipment to defence Industry, $8,000,000.

L80. Loans, under the Adjustment Assistance Program related to the Kennedy Round agreements, in the current and subsequent fiscal years and in accordance with terms and conditions prescribed by the Governor in Council, to assist manufacturers in Canada who have been determined by a board established pursuant to section 15 of the Department of Industry Act:

(a) to be seriously injured or threatened with serious injury by reason of increased imports attributable to Kennedy Round tariff reductions made by Canada resulting in exceptional problems of adjustment; and

(b) to be unable to obtain sufficient financing on reasonable terms from other sources for purposes of making the necessary adjustment, $10,000,000.

The Chairman: This concludes our consideration of the estimates of the department of industry. It being ten o'clock it is my duty to rise, report certain resolutions, and request leave to sit again at the next sitting of the house.

Resolutions adopted in committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Macdonald (Rosedale): Mr. Speaker, before we proceed to the adjournement motion perhaps I can confirm that the business for tomorrow will be second reading of the bill to amend the Customs Tariff.

• (10:00 p.m.)

PROCEEDINGS ON ADJOURNMENT MOTION

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

NATIONAL PARKS—GLACIER—INQUIRY AS TO LOGGING OPERATIONS

Mr. Randolph Harding (Kootenay West): Mr. Speaker, on November 26 I directed the following question to the Minister of Indian Affairs and Northern Development:

Has the government, through the national parks board, announced that logging operations will be allowed in Glacier National Park, and particularly in that section bordering the trans-Canada highway through Rogers pass. If so, when will logging operations begin?

Proceedings on Adjournment Motion

At the time Mr. Speaker suggested that the above question ought to be raised at the time of adjournment, and I have taken advantage of the privilege of raising it at this time. I feel that this matter is important and urgent enough to warrant a statement being made by the department concerned. Of course, if the answer to my question is negative, there would be no need for concern over logging in Glacier National Park. Since raising my question last week, however, over logging in Glacier National Park, we had a C.B.C. television program on loggin in Algonquin Park, Ontario, which comes under provincial jurisdiction, I believe.

It would appear that the parks boards of both Ontario and the federal government allow logging in their park reserves. It also appears that there is an increasing relaxation of restrictions which were laid down years ago. As the C.B.C. depicted in its television program last night, logging of hardwoods in Algonquin Park has been allowed. The hardwood supplies material for the surrounding mills. Much of this material goes to the furniture manufacturing industry.

Perhaps we should ask why there is a shortage of hardwood stands in eastern Canada. The answer is obvious. Over the years governments, federal and provincial, have never had sound conservation policies in forestry. In these instances the lack of proper forest conservation has caused almost complete exhaustion of commercial stands of hardwoods which are required to keep the sawmills and furniture manufacturing industries alive. The policy has been "Cut out and get out," a weak policy by weak governments that gives the green light to commercial operators to move into our parks where some of the best timber reserves are still left.

May I point out that our national parks have been set aside to preserve for Canadians for all time part of the great natural heritage with which Canada has been so richly endowed. These parklands must be protected at all costs against greedy operators and weak politicians, whether they be in provincial or federal fields, who worship the almighty dollar above everything else.

Glacier National Park sits astride that portion of the trans-Canada highway which goes through Rogers pass. This is the most scenic drive found anywhere in Canada, a veritable tourists' paradise. Under no circumstances must we ever allow commercial logging to mar the beauty of this particularly scenic area.

I speak out against commercial logging operations in any of our national parks. In a few short years in Canada we have virtually eliminated a number of our renewable natural resources, through stupidity with regard to conservation. Surely some remnants of our original Canadian heritage should be allowed to remain unspoiled for future generations?

On occasions it might be necessary to remove some timber from national park areas because fire or disease has destroyed certain stands. It might be necessary to do so for our own protection. In these instances removal should be carried out under the strictest park supervision possible; the logging methods involved should relate to a conservation policy, and in no circumstances should commercial logging enterprises be allowed in our parks. Reforestation should immediately follow the removal of material damaged by fire or disease.

With these thoughts in mind I ask the minister to give the house an explanation why any logging should be allowed in Glacier National Park. I ask him to tell us the acreage and approximate volume involved. Will the timber be put up for public auction? What is the estimated revenue to be returned to the parks branch? Have any contracts been let to date? What safeguards have been provided to ensure maximum protection for the park area?

We should be given this information. However, I serve notice that all my life I have fought for sound conservation policies in relation to all our natural resources. Parks are of special interest to me, and I have no intention of remaining silent if there is any move to liquidate these resources which have been set aside as national park areas for all time for Canadians to enjoy. Under no circumstances must we ever relax our guard as far as these parks are concerned. We have a solemn duty to preserve these areas for future generations, to pass them on as unimpaired as possible, and I urge the minister to give us as much information as he can this evening, trusting he can announce that a decision has been taken against logging operations in this particular national park.

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): I should like to make just one point, first of all. The hon. member spoke at length about Algonquin Park. I must tell him immediately we have nothing to do with this—it is a provincial park, not a federal park. There is no

[Mr. Harding.]

cutting operation in any of the national parks of Canada.

Some hon. Members: Hear, hear.

Mr. Chrétien: I welcome the hon. member's lecture on conservation, but there is no one who is more interested than I am in preserving the natural beauty of our land in the national parks. The department has a policy under which permits may not be given to anyone to cut timber in our national parks, or try to exploit any of the natural resources there. This is because we believe the parks should be preserved in their present state for people to enjoy, both now and in days to come.

As far as Glacier park is concerned, I am well aware of the problem to which the hon. member has referred. I must inform him that I have looked into this matter, because only a few weeks ago the hon. member for Okanagan-Kootenay (Mr. Stewart) wrote me a letter saying he was very much concerned about these problems because there are four national parks in his riding. I found that these companies have long standing rights to conduct certain operations there. I took steps to permit the federal government, through my department, to buy these rights back because I would not like these companies to cut any wood in the Glacier National Park.

• (10:10 p.m.)

I am convinced that this is the right policy for us to follow. We are conducting negotiations right now and we are hopeful we will reach an agreement with them. If we do not arrive at an agreement with them, we will use other powers that exist under our jurisdiction.

[*Translation*]

VOCATIONAL AND TECHNICAL TRAINING—REPORTED REGIONAL LIMITATIONS ON NUMBERS ACCEPTED

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, the question I raised has a great importance for those who wish to take advantage of the retraining, and they are numerous in my riding.

An early winter has put a stop to some building operations before the expected date and, as a result, the number of the unemployed has increased. Moreover, the fact that the government has abandoned the winter works program is not likely to remedy the situation.

Another reason why more people want to take advantage of retraining is the fact that

some dairy producers will be excluded from that production next year, and under the rules of the Canadian Dairy Commission in the next few years, they will have to turn to other sectors, now, in order to be ready, they will necessarily have to take retraining.

Others wish to spend their time doing something more interesting than remaining idle. This applies especially to the young, for when one is young, one is full of energy; and when one is idle, one is exposed to doing things which are not advisable. So an interest must be taken in the young in order to give them the opportunity of doing something good instead of doing something evil. They wish to take courses to improve their education or to increase their knowledge in some field or other.

I receive letters from people who complain about not being able to take courses because they have not been accepted by the manpower centres in their area; and this, even when at times it would be possible for the schools to accommodate them.

Must the officials of the manpower centres apply some standard before accepting a candidate who wants to take a retraining course? Is there a maximum age? Some people who took courses in 1967-68 are refused in 1968-69. Why are they rejected?

Here is an example. Someone wrote to tell me that last year he registered at his local manpower centre for a retraining course as a heavy machinery operator. He was told that he needed a 9th grade education to register for that course. Since he had gone only to the 7th grade, he chose to take his 8th grade of schooling to go on to the 9th grade, and he finished with marks of 89 per cent.

Last fall, he went to the same office to register for his ninth grade, but he was turned down because, he was told, he was over 35 years old and only those under 35 were accepted for the ninth grade this year. But as he wanted to complete his ninth grade this year at all costs, he went to the regional school board, of his area, and he was accepted. He is now taking subjects for his ninth grade since November 18, but without financial assistance.

Others are rejected because there is not enough room in the schools. Is that the true reason? Farmers would like to follow refresher courses in agriculture but they are turned down.

It is urgent, Mr. Speaker, that the people interested in the training courses should know as soon as possible where they stand, so that they do not run the risk of losing their school year.

We speak rightly of the establishment of a just society. I suggest it should not remain at the project stage. We should not lose a minute in order to make it a reality. Many persons are denied, for a thousand and one reasons, the benefits of training courses. Is that the way to prepare them to bring their contribution to the achievement of a just society which will finally enable everyone to enjoy a decent living?

Society is troubled with the very serious problem of social welfare allowances paid to valid persons that could contribute, through their work, to the exploitation of our country's resources for their benefit as well as that of the whole community, thus giving back confidence in work efficiency.

I therefore ask the responsible minister to have amended the regulations on retraining courses, if it is so indicated, so that a larger number of people can take advantage of them before the year is too far advanced.

Finally, if the problem is financial, it is time for the government to take the bull by the horns and make financially possible what can be achieved humanly and physically.

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I merely wish to reply to the honourable member.

First of all I wish to thank him for the interest he shows in our manpower development programs. That much interest in those programs surely indicate that they are good. It is obvious that any new institution takes a few months, and often a few years, before attaining its maturity.

However, I note with interest that the people in his riding are interested in the progressive policy our government has put forward, which will certainly lead us towards a just society more rapidly than any Créditiste government could.

[*English*]

HOUSING—OSHAWA—AVAILABILITY OF DEFENCE DEPARTMENT PROPERTY

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, it is a general duty of a member of parliament, I believe, to try on the one hand, to speak out on problems that generally are important to the nation as a whole, and on the other, to speak out on issues which have a more direct bearing with regard to his own constituency. Tonight I should like to

speak very briefly about a problem which fits into both categories. I have in mind the question of housing.

It was recently announced by the Department of National Defence that the Oshawa wireless station would be available for disposal on March 31, 1969. This station is located on 275 acres of land. As soon as this announcement was made a number of interested citizens in my constituency immediately raised the question concerning the suitability of this land for housing. This is the reason I say the issue is both of local and national concern. Housing is a national problem.

Specifically three organizations in my constituency, the United Automobile Workers of America, Local 222; the Royal Canadian Legion, Oshawa Branch 431 and the Canadian Corps Association, unit 42 of Oshawa, all approached me on the question of inquiring about the suitability of this land for housing for veterans. I made such an inquiry and have been advised that a feasibility study is being carried on in respect of this land, to see whether it would be appropriate for the construction of homes for veterans.

My point, which I attempted to raise in the house the other day, is whether the Minister of Transport (Mr. Hellyer), who is responsible for housing, would commit himself to the view, if the feasibility study that is being carried out on this land turns out to be positive in nature, that this land which is in the midst of a large metropolitan region would be used for the construction of homes. Would the minister in fact assure the house that some arrangement will be made for this public land to be used for housing, and more particularly that it will be used for this purpose without being turned over to private speculators?

• (10:20 p.m.)

Mr. Chairman, because my question was ruled out of order at the time I posed it, I have discussed the matter in this form this evening. So far, most of my requests on behalf of my constituents on this matter have been in the interests of veterans. Whether or not it would be equitable to use the entire 275 acres for veterans is a question I have not completely settled in my own mind. Certainly a good portion of this land should be used for this purpose, provided it is suitable. The main question seems to be whether the minister responsible for housing will ensure that, if this public land is suitable for this purpose the government will make it available.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I wish to thank the member for having drawn this problem, which concerns his riding to the attention of the house.

As he said himself, this is a problem on which we are not yet ready to make a decision, since it necessitates preliminary studies regarding the possibility of establishing housing lots in that part of the land which belongs to the Department of National Defence. However, I can assure him that the hon. Minister of Transport (Mr. Hellyer), who is in charge of the housing problems in Canada, will certainly take into account the representations which have been made in the house and, if necessary, will negotiate with his former department, in order to make the best possible use of those lands in the interest of all Canadians.

[*English*]

Mr. Deputy Speaker: Order. Pursuant to provisional standing order 39A a motion to adjourn the house is now deemed to be adopted. Accordingly this house stands adjourned until 2.30 p.m. tomorrow afternoon.

Motion agreed to and the house adjourned at 10.25 p.m.

[The following items were passed in Committee of Supply this day:]

DEPARTMENT OF INDUSTRY AND TRADE AND COMMERCE

1, 3, 5, 10, 15, L75, L80.

END OF VOLUME III